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ABSTRACT

This budget was submitted by the California Community Colleges Chancellor's Office to the Community College Board of Governor's in November 1998. It presents the funds requested for 1999-2000 for review by the Board and the state legislature and governor. General fund apportionment comprises \$3.7 billion of the budget request. Other major fund requests include: Partnership for Excellence (\$200 million), instructional equipment and library materials and technology (\$60 million), maintenance and repairs (\$60 million), full-time faculty obligation of 75/25 (\$40 million), faculty and staff development (\$20 million), disabled student services (\$62 million), matriculation services for credit students (\$65 million), matriculation services for non-credit students (\$26 million), economic development (\$42 million), and telecommunications and technology (\$49 million). Compared to 1998-99, the budget proposes \$536.6 million in augmentations for local ongoing assistance programs. Other augmentations include \$50 million for one-time purposes, \$170.3 million for capital outlay projects from Proposition 1A, \$10 million from the Petroleum Violation Escrow Account, and \$2.2 million for the Chancellor's Office. Appended are the Education Mission statement, Chancellor's office operations/expenditures, 1998-99 budget overview, community colleges Proposition 98 percent share, 1999-00 budget overview, and 1999-00 local assistance and baseline budget summary. (RDG)

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CALIFORNIA COMMUNITY COLLEGE'S 1999-2000 SYSTEM BUDGET PROPOSALS



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CALIFORNIA COMMUNITY COLLEGES
NOVEMBER 1998**

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California Community Colleges

1999-2000 Budget

November 1998

Prepared by

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November 2, 1998

Robert Alleborn, President
Board of Governors
California Community Colleges

Vishwas More, Chair
Committee on Budget and Finance
California Community Colleges

I am submitting for your approval, the California Community Colleges 1999-2000 System Budget. The system budget represents work of my staff, members of the Consultation Council Budget Task Force (CCBTF), and the valuable contributions of the colleges and districts that participated in this year's budget development process.

The development of the system budget began last February with the first meeting of the CCBTF. The task force considered proposals submitted by the Chancellor's Office, recommendations of our districts and colleges, and budget concepts initiated by the task force. The budget concepts were approved by the Board of Governors at the September Board meeting and submitted to the Department of Finance as Budget Change Proposals to be included in the Governor's 1999-2000 State Budget.

The California Community Colleges, 1999-2000 System Budget document provides the details behind the BCP requests. The budget includes proposed augmentations of \$536.6 million for ongoing local assistance programs, \$50 million for one-time purposes, \$10 million from the Petroleum Violation Escrow Account, and \$2.2 million for support of the Chancellor's Office. In addition, the budget includes \$170.3 million for 105 capital outlay projects to be funded from Proposition 1A, the \$9.2 billion General Obligation bond measure on the November ballot.

The budget assumptions are based on a very optimistic economic outlook for the next fiscal year. In addition, the community colleges system budget continues to rely not only on a greater share of Proposition 98 funds, but also on securing a significant share of non-Proposition 98 General Fund revenues. While achieving a greater share of

Robert Alleborn
Vishwas More

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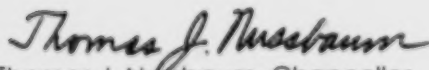
November 2, 1998

Proposition 98 revenues requires community college budget priorities to compete with K-12 budget priorities, the latter effort requires us to compete with all the state General Fund budget priorities.

Finally, I want to thank the Chancellor's Office staff and members of the CCBTF for the endless hours they dedicated to the development of California Community Colleges, 1999-2000 System Budget. I'd also like to recognize and thank those districts and colleges who participated in the development of the system budget and encourage greater participation in next year's process.

Members of the Board of Governors, I submit the California Community Colleges 1999-2000 System Budget for your approval.

Sincerely,

Handwritten signature of Thomas J. Nussbaum in cursive script.

Thomas J. Nussbaum, Chancellor
California Community Colleges

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STUDENT SENATE

Base Funding Level	\$ •
1999-2000 Augmentation Request	<u>\$184,000</u>
Total 1999-2000 Funding Request	<u>\$184,000</u>

- Agency currently redirects \$50,000 from its state operations budget to support the Student Senate.

BACKGROUND/HISTORY

Student participation in community college governance is required by legislation. AB 1725 (Chapter 973, Statutes of 1988), charges the Board of Governors (BOG) with the responsibility for establishing "Minimum standards governing procedures established by governing boards in community college districts to ensure faculty, staff and students the right to participate effectively in district and college governance...and to ensure that these opinions are given every reasonable consideration" [Education Code Section 70901 (b) (1) (e)]. In the development of the student representation plan for participation in shared governance, recommendations and initiatives were drawn to assist students in the areas of statewide and local governance.

AB 1725 established the Council of Student Body Governments for the purpose of representing students through the formal consultation process. The Board of Governors adopted, through Board Policies, a plan to implement a revised consultation process. This new consultation process allows for three student members to participate: two members of the newly named Student Senate, formerly the Council of Student Body Governments, (CSBG); and one as a member of the California Student Association of Community Colleges (CalSACC). The Student Senate is comprised of 10 regional representatives and 5 executive board members who are elected by the 106 community college student body governments. The Student Senate is recognized as the principle source of advice to the Chancellor and the Consultation Council concerning student perspectives, opinions and positions on state policy matters. Since 1987, the Student Senate has played an integral part in policy formulation including state grading policies, budgets, legislation, and shared governance.

In 1996, the California Community Colleges' Board of Governors adopted Title 5 regulations, recognizing the Student Senate. To fulfill requirements of Title 5, the Chancellor's Office seeks representation from students to nearly 20 State Chancellor's Office Advisory Committees. These committees provide a critical venue for student input into specific program areas, technical issues and policy issues that affect student success at the community colleges from both the local and system level. Students are also requested to serve on statewide committees

that are external to the Chancellor's Office, such as the California Postsecondary Education Commission, the Grant Advisory Committee and Loan Study Council of the California Student Aid Commission, among others. Such functions are crucial to providing perspective and feedback to the Student Senate board and in meeting its intent to participate more usefully in the community college system's shared governance process.

In order to ensure a continued, informed, and active student participation in shared governance and the consultation process, the BOG adopted comprehensive initiatives to be implemented at the systemwide level for student participation. However, because of funding problems, students in community colleges who serve on the Student Senate are not equal partners in governance. One of the actions that the BOG adopted calls for the Chancellor's Office to seek state funds to "establish and equip a student development office..." and to "establish professional staff..." with the intent that students would have both access and input on a day-to-day basis in the development and formulation of pertinent educational policy.

STATE LEVEL CONSIDERATIONS

The Student Senate has not been adequately funded to carry out its responsibilities of representing the students' point of view to the Chancellor's Office, or of systematically informing the field of decisions made in consultation. This BCP, if funded, would provide the necessary means for the Student Senate to serve as a truly representative body of student participation and information dissemination.

The resources requested in this BCP would address these issues by providing staff support for the following functions:

- research and preparation of background material on critical student issues;
- stable funding for student representatives' travel to Consultation Council meetings, Board of Governors' meetings, and advisory committees;
- coordination of advisory committee appointments and liaison with advisory committees and program coordinators;
- coordination of meeting arrangements, travel and claims processing; and
- consistent information dissemination to Student Senate membership.

State policy supports the need for AB 1725 (Chapter 973, Statutes of 1988), charging the California Community Colleges Board of Governors with the responsibility of establishing minimum standards for governing procedures in order to "ensure faculty, staff and students the right to participate effectively in district and college governance.... and to ensure that these opinions are given every reasonable consideration...." [Education Code Section 70901 (b) (1) (e)].

The Board of Governors initiated further actions to establish and develop appropriate student representation avenues in recognition of the critical need for student participation in both state and local shared governance.

JUSTIFICATION

This BCP requests \$184,000 to provide staff, operations, and travel support for the Student Senate function. The current funding for the Student Senate program is provided from within the Chancellor's Office at \$50,000. This support primarily funds travel reimbursement, and a part-time clerk who provides assistance with travel claims and arrangements.

Current workload for the Student Senate office includes providing authorization and travel arrangements for students attending at least 185 meetings each year. Students are either the official student representative of the California Community College system to external organizations, are attending Consultation Council and Board of Governor's meetings, or are the community college student representative to a Chancellor's State Advisory Committee. When the part-time clerical person is not available to assist these students, the students may encounter administrative issues such as having difficulty obtaining travel authorization, or having reimbursements delayed.

In addition to those functional delays, however, the students are not provided a consistent flow of information regarding system policies and issues for which their input is critical since availability of information varies depending upon the availability of the staffing resources to provide that information to the field. Provision of full-time staff allows for consistent, efficient, methodical management of student representation and coordination of advisory committee appointments. Part-time assistants will provide backup assistance in specific areas such as communications (telephone calls, faxes, mailings, etc.) and in researching the background of issues upon which the students may be asked to consult with the Chancellor's Office, Consultation Council, or various Chancellor's Office statewide advisory committees. These activities are crucial in meeting the legislative intent of the Student Senate to participate fully in the community college's shared governance process.

The Student Senate office would target these key elements:

- develop a method of consistent, accountable statewide representation for community college students;
- provide full-time staff to assist the Student Senate operations and members of the policy board; including the student advisor, and governmental affairs and field coordinators of the Student Senate;

- enhance the role of the Student Senate, the official, efficient and accountable student organization working to promote student views within the consultation process;
- provide a consistent mechanism for input to the Board of Governors and the consultation council;
- provide a forum for training community college student leaders to be more effective in implementing their duties and responsibilities;
- provide a forum for student concerns and issues to be presented to the Chancellor's Office, consultation councils, and other community college entities in a consistent, professional and effective manner;
- bring to fruition the Board of Governor's 1990 proclamation and document, *"Encouraging Greater Student Participation in Governance."*

ENERGY SAVINGS PROJECTS

Base Funding Level	\$ -0-
1999-2000 Augmentation Request	<u>\$10,000,000</u>
Total 1999-2000 Funding Request	\$10,000,000

BACKGROUND/HISTORY

Annually the California Legislature appropriates funds for energy assistance projects from the Petroleum Violation Escrow Account (PVEA). These appropriations are usually allocated through state programs managed by the Energy Commission and the Department of Transportation. The PVEA fund receives its funding from several U.S. oil companies who overcharged consumers during the gasoline shortages of the 1970s. The PVEA was established to return the money to consumers through school and hospital energy efficiency, alternative fuel vehicles, and energy conservation programs.

PVEA projects must be reviewed and approved by the Federal Department of Energy before grant agreements can be executed by the state agency responsible for the grant. Recipients of the grant must comply with federal program and/or court settlement rules and regulations as well as any reporting requirements. In order to be eligible to apply, the requester must be a legal entity that can enter into a contractual agreement with the state. In the past, the funds have usually been allocated to local governments, schools, and nonprofit organizations. The community college districts are all considered legal entities that could qualify for this funding.

The Chancellor's Office has not been able to keep pace with the community college districts' requests for funding energy conservation related scheduled maintenance projects. A significant proportion of the projects submitted are eligible for PVEA funding. The scope of these projects are energy conservation in nature and include replacement of HVAC systems, upgrade of light fixtures, installation of dual pane windows and energy management systems.

STATE LEVEL CONSIDERATIONS

The Chancellor's Office proposes that an energy conservation program similar to the Energy Commission's program be created within the community college system. The program would draw on a portion of the PVEA funds to pay for facility related energy conservation projects submitted by districts and reviewed by the Chancellor's Office Facilities Planning & Utilization Unit (FPU). The program administration would function the same as the highly successful Scheduled Maintenance and Hazardous Substance Abatement programs currently in place at the Chancellor's Office.

Districts would annually submit PVEA project proposals to the FPU for review and prioritization. The same staff that reviews the Scheduled Maintenance and Hazardous Substance Programs project proposals would determine the eligibility of the project and prioritize the project on a statewide comparison of need and benefit to the community. Additionally, projects would be reviewed for scope to see if they are compatible Scheduled Maintenance, Hazardous Substance, or any Federal Energy Grant funds available to maximize the limited PVEA State funds available.

A prioritized list would be developed by December of each year to be used for the upcoming budget year to select projects for appropriation. Once a project is selected, it would be developed into a detailed proposal by district staff and the FPU staff for submission to the Federal Department of Energy for approval.

Since the PVEA formation, the General Fund borrowed extensively from the PVEA fund to meet the cash flow needs of the General Fund. State statute permits these short-term loans to be interest-free. However, federal requirements for the PVEA fund do not allow for this type of loan. It is understood from the Financial Related Audit of the PVEA prepared by the Department of Finance, Office of State Audits and Evaluations, dated September 1996, that a repayment is due from the General Fund to the account. These interest funds will provide approximately \$26 million to the fund. By setting aside \$10 million for the community college system, it will allow for 50 or more of the highest state priority community college projects to be funded at an established ceiling of \$200,000 per project.

JUSTIFICATION

The Scheduled Maintenance Program is intended to fund not only energy projects but also, roof repairs/replacements, utilities, mechanical, exterior and other miscellaneous maintenance projects. The current 5-Year Scheduled Maintenance Plan for the community college system has identified over \$490 million in needed repairs and upgrades for the system. Yet, at the current funding level, only \$195 million of state funds will be available during the 5 years. Utilizing the PVEA funds for these energy efficiency projects will go a long way to further eliminate the existing backlog in scheduled maintenance projects. The PVEA funds would not supplant but augment the existing Scheduled Maintenance Project funding.

By dedicating a portion of the PVEA funds to the community college system, the state will maximize its benefit to the people of the state of California. Not only will it make energy conservation improvements to existing State capital outlay investments (campus buildings), but it will also allow Scheduled Maintenance funds to dig deeper into the backlog of unfunded projects. The PVEA funds would not be used to supplant Scheduled Maintenance Program funds. These

funds would be in addition to requested Scheduled Maintenance funds and would allow for greater coverage of needed repairs/upgrades of community college facilities.

An additional benefit from this program is that there will be no additional administrative costs to the State. The existing FPU staff would review the districts' PVEA project proposals concurrently with Scheduled Maintenance and Hazardous Substance Program proposals. This would allow for an evaluation on whether there could be combined cost savings or efficiency of effort savings by funding all or a portion of the projects from different fund sources. This would reduce the workload requirements for the Energy Commission by reducing the amount of project review necessary and allow them to focus on other PVEA projects.

GENERAL FUND APPORTIONMENT

Base Funding Level	\$3,443,678,046
1999-2000 Augmentation Request	<u>\$ 257,382,677</u>
Total 1999-2000 Funding Request	\$3,701,060,723

BACKGROUND/HISTORY

Statute prescribes the minimum workload (FTES and headcount) increase based on the rate of change of the adult population, which may then be augmented through the budget process to reflect such other factors as statewide priorities, the unemployment rate, new or under-utilized physical capacity for student enrollment, and the number of students graduating from California high schools. Limits of funding growth at California community colleges have been part of state policy for more than a decade. This is coupled with significant changes in the demography and economy of California, changing admission standards and course offerings at four-year institutions, redirection of lower division students to community colleges and the need to provide training and retraining opportunities to accommodate the changing labor force.

Program improvement/equalization is to be provided for low revenue districts (districts with a percent of standard below the statewide average) and to all districts on a per FTES basis when sufficient funds are provided beyond amounts needed for equalization to improve the quality of instruction and services.

STATE LEVEL CONSIDERATION

In the 1999-2000 fiscal year, the community colleges will continue to face the problems of increasing costs and demand for instructional services. Adequate funding of the statutory increases for inflation, workload, and program improvement/equalization will be vital. Statutory funding provisions (ECS 84750) require certain annual increases (COLA and growth) and prescribes how those increases are to be determined. These programs need to be adequately funded in order for districts to maintain their ability to provide quality instructional programs. The budget also includes funding to provide a COLA to the *Partnership for Excellence* program.

The 1998 Budget Act funded growth at 3 percent to provide access to an additional 31,000 full-time equivalent students (FTES). The 4 percent proposed for the 1999-2000 budget anticipates meeting the growth of another 38,000 FTES in the community college system. The program-based funding mechanism (ECS 84750) specified inflation changes based on the Implicit Price Deflator for State and Local Government Purchases of Goods and Services as determined by the U.S. Department of Commerce.

JUSTIFICATION

California Community Colleges are charged with the responsibility of providing instruction in collegiate courses for transfer to other institutions, vocational and technical courses leading to and/or upgrading employment, general and liberal arts courses, adult noncredit courses, and community services programs to California's residents who are 18 years and older. The system provides instructional services to over 1.4 million students each year.

In addition, the Board conducts special programs under the authority of the Education Code in which the program costs in each are approximately 90 percent personnel expenses that are subject to the same collective bargaining constraints as the regular campus programs. COLA and growth for each program are discretionary and if set below that provided to general apportionments, these programs would be unable to maintain the prior year level of service compared to other institutional programs and services. These programs include: EOPS; DSPS; CARE; Matriculation; Apprenticeship; and Basic Skills. Adequate funding of growth and cost-of-living adjustments for these programs is necessary for student access and success.

This proposal will provide full funding of the statutory general apportionment increase (\$239,973,214) and discretionary COLA and growth (\$17,409,463) for special programs in the 1999-2000 fiscal year. For the 1998-99 fiscal year, the inflation index changed by 2.22 percent and is projected to change by 3.00 percent for 1999-2000. Utilizing the 1998-99 adult population change plus estimates for high school graduation and allowances for underserved areas, and incorporating an effort to increase the adult participation over time to meet the state's future needs for an educated and trained work force, the growth need for 1999-2000 is estimated at 4.00 percent. This is consistent with the California Community Colleges 2005 strategic response that the state must commit to funding enrollment growth to enable a participation rate of at least 73/1000 adults by 2005 to ensure a level of access that will meet workforce preparation and other higher education access needs of the state. This would require an increase in the state's General Fund appropriation since few alternatives exist to increase other revenue sources. Derivation of the requested amount is as follows:

Statutory/Regulatory Increases:

1999-2000 inflation (3%)	\$ 98,974,894
1999-2000 growth (4%)	131,805,522
1999-2000 Program Improvement/Equalization	9,192,798
Total	\$239,973,214

Discretionary COLA and Growth:

1999-2000 inflation (3%)	\$ 7,335,448
1999-2000 growth (4%)	10,074,015
Total	\$ 17,409,463

State general apportionment and categorical allowances will be distributed on a monthly basis, commencing July 1999, in accordance with California Code of Regulations, Title 5, Section 58770.

This request provides full funding of the statutory/regulatory provisions plus discretionary COLA and growth funding for areas of statewide interest. This proposal maintains current programs, and services and the Governor's recent policy of providing special programs, COLA, and growth equivalent to other institutional programs. (See table below for further details of the COLA and growth augmentations for special programs.)

1999-2000 COLA and Growth for Special Programs

Categoricals	COLA	Growth
Apprenticeship	\$ 212,670	\$ 292,067
Basic Skills	\$ 677,106	\$ 929,892
DSPS	\$1,777,241	\$ 2,440,745
EOPS	\$1,733,851	\$ 2,381,155
CARE	\$ 282,285	\$ 387,671
Matriculation	\$2,652,295	\$ 3,642,485
Totals	\$7,335,448	\$10,074,015

PARTNERSHIP FOR EXCELLENCE

Base Funding Level	\$100,000,000
1999-2000 Augmentation Request	<u>\$100,000,000</u>
Total 1999-2000 Funding Request	\$200,000,000

BACKGROUND/HISTORY

The Partnership for Excellence program is a mutual commitment by the State of California and the California Community College system to significantly expand the contribution of the community colleges to the social and economic success of California. The financial investment by the state will result in the improvement in student success in such areas as degrees and certificates, transfers to four-year institutions, successful course completion, basic skills, and workforce development. The proposed \$100 million augmentation represents the second year investment by the state includes an anticipated 3 percent cost-of-living increase (COLA) and provide the resources that will improve and enhance the lives of our community college students.

In May of 1997, the Chancellor's Office submitted to the Board of Governors the initial Academic Excellence proposal that established goals and outcome measures within the current mission of community colleges, to be achieved with an investment of General Fund resources. This proposal represented a \$100 million augmentation to the community college budget in return for improving student success in specified goal and outcome measures. This investment would be in addition to fully funding cost-of-living adjustments (COLA) and system growth. These General Fund resources would also move California Community College's current level of \$4,000 per full-time equivalent student (FTES) funding closer to the national average of over \$6,000 per FTES. After a year of consultation review, revisions approved by the Board of Governors, and working with the Governor's Office, the Department of Finance, and the Legislature, the new "Partnership for Excellence" proposal was enacted as part of the 1998 Budget Act.

STATE LEVEL CONSIDERATIONS

The Partnership for Excellence Program improves student success that is consistent with the mission of the California Community Colleges. Transfer goals are currently being enhanced through the establishment of a memorandum of understanding (MOU) with the University of California (UC), California State University (CSU), and the independent colleges on increasing the transfer rates to four-year institutions. As an example, the transfer of community college students to UC has remained fairly constant at 10,900 transfers over the past six years. Last November, Chancellor Nussbaum and President Atkinson signed a

MOU to increase the number of transfers over the next six years to 14,500 and UC has already expressed an interest to increase that amount. The Chancellor's Office is currently working to establish a transfer MOU with CSU and the independent colleges.

The Partnership proposal will significantly impact the state economy as colleges prepare students in the areas of workforce development and welfare reform. Students at the community colleges often attend classes to obtain the skills and knowledge to enter the workforce and to upgrade their employment skills. It is anticipated that an increase from 597,500 to 806,000 in the number of successful completions in vocational courses would be achieved through the state's investment in Partnership. In addition, the number of businesses benefiting from training provided to community college students will increase from 141,000 to 190,000. The California economy is dependent on community colleges to play an important part in providing an educated and well-trained workforce.

The Chancellor's Office, through the consultation process, has also established a goal to increase the number of degrees and certificates by 30,000, improve successful course completions, and improve students basic skills coursework at least one level above their initial precollegiate placement.

JUSTIFICATION

Partnership for Excellence funding will be provided to community college districts on an FTES basis with districts having broad flexibility to invest in areas that will enhance student success within the system goals and outcome measures. Districts can invest in libraries and learning resource centers, lowering student-to-instructor and student-to-counselor ratios, expanding articulation with colleges and schools, increasing the proportion of credit instruction taught by full-time faculty, and reinvigorating transfer centers. In addition, districts would have the opportunity to expand access to high-demand occupational programs to meet workforce demands and stimulate economic development.

The budget trailer bill, SB 1564 (Chapter 330, 1998) requires "on or before December 1, 1998, the Chancellor...shall propose goals and measures for the approval of the Board of Governors...the Department of Finance, the Legislative Analyst's Office, and CPEC shall assess the extent to which the goals and measures under consideration are clear, reasonable, and adequately meet the state's interest in accountability." The Chancellor's Office has been convening necessary meetings to review current goals and outcome measures and will propose revisions and additions to those goals and measures identified in SB 1564.

The \$100 million funded in the 1998 Budget Act provides approximately \$108 per student to enhance their success in education and workforce development. This proposed \$100 million augmentation will continue the investment in

community college students, provide the essential COLA, and ensure students have access to academic programs, continuing education resources, and employment opportunities that are provided to all higher education students. At around \$4,000 per FTES, California's community colleges are the best bargain in the country compared to the national average of over \$6,000 per FTES.

INSTRUCTIONAL EQUIPMENT, LIBRARY MATERIALS & TECHNOLOGY

Base Funding Level	\$44,000,000
1999-2000 Augmentation Request	<u>\$16,000,000</u>
Total 1999-2000 Funding Request	\$60,000,000

BACKGROUND/HISTORY

Prior to the inception of a state funded program for the replacement of instructional equipment in 1985, state funds were provided for instructional materials only when a building was constructed or remodeled. In 1985, the Chancellor's Office identified over \$500 million of existing instructional equipment at the community colleges. Since that time, that figure has grown to nearly \$900 million of existing instructional equipment (\$195 million from state instructional equipment funds) and it still does not meet all the college's growing instructional needs for more up-to-date equipment.

By updating the original survey, the annual cost to maintain and repair the college's existing equipment is now over \$27 million (up from \$19 million in 1985). Additional yearly costs of over \$60 million is needed to replace or upgrade the college's instructional equipment in existing programs (up from \$42 million in 1985). The total annual on-going cost therefore amounts to over \$87 million for just instructional equipment. This figure does not include costs for the \$420 million identified in California Community College Library Acquisition Needs: 1995-2005 (available on request) for library materials, or over \$1 billion needed for technology infrastructure upgrade.

The community colleges have been fortunate in recent years to receive an increase in instructional equipment, technology and library material funds. Districts are now in dire need to maintain and upgrade their data infrastructure and hire the technological expertise needed to maintain the colleges various instructional support programs. Community colleges are struggling to keep pace with the rapid changes in technology and the internet, and as more courses are offered through distance learning, the need for qualified technicians to manage these systems at the individual college level becomes evident.

STATE LEVEL CONSIDERATIONS

Between 1985 and 1998, the Instructional Equipment Replacement Program (IERP) has provided for the maintenance, replacement and upgrade of worn-out or obsolete instructional equipment and library materials for the California Community College system. Similar equipment replacement programs are

being used by the University and State University systems. The IERP was first funded during the 1985-86 fiscal year as a result of AB 2178. Library materials were later included in the 1987-88 fiscal year.

A historical budget summary is as follows:

FISCAL YEAR	ITEM #	APPROPRIATION AMOUNT
1985-86	6870-101-036	\$ 25,000,000
	6870-101-146 (2)	\$ 1,100,000
1986-87	6870-101-782	0
1987-88	6870-490-782	\$ 35,000,000
	6870-106-001	\$ 11,862,000
	6870-491	\$ 9,000,000
1988-89	6870-106-001	\$ 11,862,000
	6870-101-785	\$ 23,138,000
1989-90	6870-101-785	\$ 23,000,000
1990-91	6870-101-791	\$ 23,000,000
1991-92	NA	0
1992-93	NA	0
1993-94	NA	0
1994-95	6870-101-001 (mx)	\$ 2,400,000
1995-96	NA*	0
1996-97	6870-101-0001 (p)**	\$ 15,000,000
1997-98	6870-101-0001 (p)***	\$ 40,000,000
1998-99	6870-101-0001 (w)****	\$ 44,000,000
1985-99 Totals		\$264,362,000

* Does not include one-time funds from Proposition 98, AB 825, Chapter 308.

** Does not include one-time funds from Proposition 98, AB 3488, Chapter 204.

*** Does not include one-time funds from Proposition 98, AB 1578, Chapter 299.

**** Does not include one-time funds from Proposition 98, NA.

Funds appropriated for this program were allocated to the community college districts on a per FTES basis. Districts are required to match state funds with at least 25 percent from other sources.

JUSTIFICATION

The solution to this problem is to establish and maintain a stable and consistent appropriation of state funds to address the instructionally related material needs. The level of support for this program is dependent on the state's commitment to provide up-to-date quality education in the community colleges.

Funds are needed to: (1) further reduce the backlog of equipment and library material needs; (2) enhance student learning with state-of-the-art equipment and infrastructure connections; and (3) prepare students for other educational or business pursuits.

Current state law (AB 2178 of 1985, Education Code Section 84670 et. seq.) requires the Board of Governors of the California Community Colleges to administer a program of state funding for the maintenance, acquisition and replacement of instructional related equipment. Failure to provide additional funds to replace instructionally related equipment and material would exacerbate the existing problems experienced by the colleges and their students, forestalling their educational or vocational objectives.

Approved funding of this proposal will maintain a statewide program to replace and upgrade instructionally related equipment, library materials and a distance learning system that meets education, business and community needs. State participation enhances the community college's infrastructure. A new component of this request is an allowance of up to \$100,000 per college to be used for technological support services.

SCHEDULED MAINTENANCE & REPAIRS

Base Funding Level	\$39,000,000
1999-2000 Augmentation Request	<u>\$21,000,000</u>
Total 1999-2000 Funding Request	\$60,000,000

BACKGROUND/HISTORY

The Chancellor's Office uses the district's annual Scheduled Maintenance Five-Year Plan to substantiate project needs and determine the dollar amounts required to meet those needs. The current Five-Year Plan identifies an accumulative need of over \$490 million for the next 5 years. The Five-Year scheduled maintenance plan includes projects, dollar amounts and timeframes for preventive as well as scheduled maintenance projects anticipated by each community college district.

In addition, districts submit individual project proposals identifying the scope and justification for each project. For Fiscal Year 1998-99, over 1,500 scheduled maintenance projects valued at over \$242 million are identified in the individual project proposals. Some of the more common types of problems that tend to plague the colleges are, in priority order: roof, mechanical, and utility repairs/replacement; infrastructure/land erosion control; replacement of doors, windows, floors, ceilings and hardware; exterior/interior refurbishing; and resurfacing of tennis courts, swimming pools, walkways, running tracks and roadways.

The 1996-97 Department of General Services Real Estate Services Division, Seismic Retrofit Survey of the Community College System buildings has indicated a significant amount of funds will be needed to address all of the problems cited in the report. Over eighty of the buildings included in the report will require seismic alterations to be brought up to current standards, that in some cases would be more economically appropriate to replace the building. However, approximately half of the cited buildings will require minor retrofitting (retrofit costs at less than \$400,000) in order to meet current standards. These projects fall under the Scheduled Maintenance and Special Repairs Program, and in 1997-98, twenty-four of these projects (\$8.7 million) were approved for funding. There are approximately twenty remaining projects eligible for scheduled maintenance funding valued at \$3 million. This amount will add to the already bulging backlog of maintenance and special repair needs. The remaining buildings requiring major capital outlay repairs/replacement will be addressed through FEMA funding and/or State General Obligation bond funds.

STATE LEVEL CONSIDERATIONS

Chapter 4.7 of Title 5 of the Education Code declares that "...it is in the interest of the people of the State of California to ensure that the facilities of the California Community Colleges are repaired and maintained on a timely basis in order to provide for the safe utilization of these facilities...". It also states that "The Legislature recognizes that in many community college districts, high operating

costs and limited district revenues have combined to restrict the ability of community college districts to provide for the periodic maintenance and timely repair of community college facilities."

The program was first funded in the 1982-83 fiscal year. Program output is summarized below:

Fiscal Year	Appropriation	# Projects	# Districts
1982-83	\$ 4,572,000	262	57
1983-84	\$ 4,000,000	210	45
1984-85	\$ 8,000,000	380	61
1985-86	\$12,000,000	400	65
1986-87	\$12,670,000	390	64
1987-88	\$15,000,000	400	64
1988-89	\$15,000,000	401	65
1989-90	\$15,000,000	363	69
1990-91	\$ 8,681,000	167	66
1991-92	\$ 8,681,000	161	67
1992-93	\$ 8,700,000	180	68
1993-94	\$ 8,700,000	173	68
1994-95	\$ 8,700,000	168	70
1995-96*	\$ 8,700,000	152	69
1996-97**	\$39,000,000	351	30
1997-98***	\$39,000,000	531	52
1998-99****	\$39,000,000	460	70
	\$255,404,000	5,149	

* Does not include Block Grant allocation per AB 825, Chapter 308.

** Does not include one-time funds from Proposition 98, AB 3488, Chapter 204, 1996-97. (\$60 million funding 631 Projects from 41 Districts)

*** Does not include one-time funds from Proposition 98, AB 1578, Chapter 299, 1997-98. (\$20 million funding 149 projects from 19 Districts)

**** Does not include one-time funds from Proposition 98, N/A.

The \$109 million in deferred/schedule maintenance projects funded jointly through the state scheduled maintenance and one time funds, plus local matching funds in 1997-98 went far in addressing many of the critical need projects of the system. However, there still remains over \$242 million in identified need for 1998-99. The funding level for 1998-99, including local matching funds, will address only \$78 million of the substantiated need. The carryover of unfunded projects will continue to swell the backlog of badly needed maintenance and special repair projects.

This proposal would continue the recognized practice of providing Proposition 98 funds plus augment the base \$39 million amount by \$21 million in order to keep pace with the increasing amount of scheduled maintenance projects. The base funding level has not been adjusted for the escalation of need during the

past 3 years. This program would have no impact on any other state agency, as it utilizes a portion of the Proposition 98 funds allocated by the State Constitution for use in the community college system.

JUSTIFICATION

The Deferred Maintenance and Special Repairs Program for the California community colleges was established by the Legislature effective September 25, 1981. The program title was changed to the Scheduled Maintenance and Special Repairs Program during the 1996-97 budget cycle. Program guidelines are contained in Education Code Section 84660, et seq.

The \$60 million amount requested for 1999-2000, will increase the scheduled maintenance program's baseline budget by \$21 million. The \$60 million in conjunction with the \$30 million provided by the districts through the 2:1 match requirement would fund at a \$90 million level designed to meet a large portion of the substantiated need of the Board of Governors' prioritized scheduled maintenance and special repair projects submitted by the community college districts. Additionally, it will address the remaining buildings needing identified seismic retrofit that are eligible for funding under this program.

FULL-TIME FACULTY 75/25 OBLIGATION

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$40,000,000</u>
Total 1999-2000 Funding Request	<u>\$40,000,000</u>

- * Districts fund their full-time faculty from base budgets subject to the additional hiring obligation from receiving growth funding.

BACKGROUND/HISTORY

AB 1725 was passed in 1988 as part of the review of the Master Plan for Higher Education. This legislation added Education Code Section 87482.6 which was implemented by California Code of Regulations Section 51025. This law articulates the goal of the Board of Governors and the Legislature that at least 75 percent of the hours of credit instruction should be taught by full-time faculty. The student is the ultimate beneficiary in the attainment of this goal through improved instruction. Funds were appropriated in fiscal years 1989-90 and 1990-91, specifically for this purpose. No special purpose funds have been appropriated since 1991. Under the law, community colleges must dedicate a certain percentage of their growth dollars to securing full-time faculty. Historically, this has not improved the overall percentage of instruction taught by full-time faculty.

STATE LEVEL CONSIDERATIONS

New full-time faculty are needed to enable colleges to meet workforce preparation needs and the unique educational needs of current students entering community colleges. Students deserve a learning experience provided by faculty who have adequate resources, access to professional services and advancement, and are full participants in the educational enterprise. To this end, the Board of Governors and the Legislature have affirmed a policy position that at least 75 percent of the hours of credit instruction in California's community colleges should be taught by full-time instructors. This request is to recognize the need for new faculty; moving closer to the goal. Further, it is the goal of the Board of Governors that a five-year investment of funds be made to dramatically improve the systems ability to meet the 75 percent full-time faculty goal. The five-year funding goal to improve the full-time faculty ratio is computed as follows:

Total faculty WFCH* with 3% increase per year	491,331
75% level of WFCH to be taught/worked by faculty	368,498
Current level of WFCH taught/worked by faculty 63%	309,538
WFCH needed to reach the 75% level	58,960
Full-time faculty needed to reach the 75% level (58,960/16 WFCH)	3,685

* Weekly Faculty Contact Hours

Five-year cost (replacement cost \$50,000 x 3,685)	\$184.2 million
Average annual cost for five years (\$184.2 mil./5 years)	\$ 36.8 million
Additional funding for districts at or above the 75% level to improve student success	\$ <u>3.2 million</u>

Total annual cost: \$ 40.0 million

To the extent that funds for Partnership for Excellence and growth improve the full-time faculty ratio, districts could reach the goal in three or four years. The Master Plan, Board of Governors, and Legislature support the attainment of this goal as articulated in AB 1725.

State aid will be distributed on a monthly basis to all districts commencing in July 1999, in accordance with the California Code of Regulations, Title 5, Section 58770. Each district will receive an equal amount based on credit FTES with a minimum allocation of \$50,000 to fund the average replacement cost of a part-time faculty with a full-time faculty. Full-time faculty hires must be in place by Fall 2000, to continue the allocation as part of the district's base. For those districts already at or above the 75 percent goal, funding will be provided to improve student success and to prevent future funding disparities.

JUSTIFICATION

Student success is dependent on a number of factors, primary of which is the quality of instruction. In the long run, the quality of instruction will erode unless action is taken to place importance on the full-time nature of the teaching profession; thereby, attracting the most qualified people. In Fall 1997, only 60.8 percent of credit instruction was taught by full-time faculty. Almost 40 percent of credit instruction was taught by part-time faculty. It is likely that by Fall 1998 the percentage taught/worked by full-time faculty will be approximately 63 percent due to the addition of non-instructional faculty. Because part-time faculty are generally compensated only for direct classroom contact hours, many other duties of a professional faculty member are either left to the full-time faculty or performed by the part-time faculty member without compensation. These other duties such as advisement, counseling, and support of student activities are essential to student retention and success.

This proposal will increase the number of full-time faculty at each community college in the attainment of the 75 percent full-time faculty goal in accordance with Education Code Section 87482.6. To recognize the importance of the full-time nature of the teaching profession is to strengthen that profession and to improve the quality of instruction.

DISTRICT PARTICIPATION/CONSULTATION

Base Funding Level	\$ *
1999-2000 Augmentation Request	\$ 565,464
Total 1999-2000 Funding Request	\$ 565,464

* Districts and organizations fund this need out of limited budgets.

BACKGROUND/HISTORY

The community college governance structure established by AB 1725 (Stats. 1988, Ch. 973) requires the Board of Governors to establish and maintain a consultation process to ensure local community college district participation in system policy making (Ed. Code § 70901(e)). In turn, local districts are required not only to employ shared governance within their districts (Ed. Code § 70902(b)(7)), but to "[p]articipate in the consultation process established by the board of governors for the development and review of policy proposals." (Ed. Code § 70902(b)(14).)

The process established by the Board of Governors pursuant to this mandate has evolved into an 18 member "Consultation Council," comprised of 10 institutional representatives appointed by their statewide organizations, e.g. local trustees, executive officers, students, faculty, administrators, business officers, student services officers, instructional officers, and 8 representatives appointed by constituent organizations such as faculty and staff unions and associations. The Council's purpose is to assist in the development of state policy that is in the best interest of community college students, the California Community College system and the State. The Consultation Council is chaired by the Chancellor and meets once per month to review policy issues currently in development, discuss new policy proposals, convene task groups to develop newly recommended policy proposals, and appoint representatives to serve on ongoing committees developing the annual budget and legislative proposals for the system. The Council reviews the work of its task forces, refines the work products as necessary, and provides its consensus advice on the issues to the Chancellor, who communicates that advice to the Board of Governors.

STATE LEVEL CONSIDERATIONS

Districts have usually been able to release an employee to represent the member institutional organizations in the consultation process when the requirement is simply to attend a monthly Consultation Council meeting. However, due to the costs involved, districts are unable to release that same employee to serve on the number of task groups that are regularly formed out of

the consultation process for policy development. Participation in only 1 or 2 task groups may require attendance up to 14-16 or more meetings per year. Especially when it comes to facilitation of a task group working on a complex policy issue, which may require 20-25 percent of an employee's time and cost more than \$25,000 in salary and travel costs, districts simply decline to grant the release time, citing costs as the reason. These expenses, however, are justly ones of local assistance because districts are mandated by law to participate in the systemwide consultation process. (Ed. Code § 70902(b)(14).)

Most community college representative organizations, on the other hand, have full-time paid employees, along with faculty or staff leadership that are released from their positions on a full-time basis. This results in an imbalance in the composition of many consultation task groups, with local district employees participating either sporadically or not at all. For example, the original membership of the task force formed out of consultation which developed the Partnership for Excellence proposal was comprised of 5 faculty union representatives, 1 classified union representative, 1 faculty association representative, 2 representatives of the chief executive officers and 1 representative each of the trustees and chief student services officers organizations.

JUSTIFICATION

Experience with the consultation process over almost a decade has shown that although the representatives appointed to the Consultation Council are all extremely competent and knowledgeable educators, it is impossible for one person to have the requisite expertise in all of the myriad policy areas that the Consultation Council must address. This experience has also shown that local districts are not able to spare the financial resources necessary to release full-time employees with a particular expertise from their regular assignments for the amount of time required to effectively participate in this important work. Another disturbing result of this inability is that many community college districts are not fully complying with state policy requiring that they participate in the systemwide shared governance process, as reflected in Education Code Section 70901(b)(14). Districts will participate more fully and better in the consultation process if their key employees who have the requisite knowledge and expertise are enabled through this proposed fund to participate in policy development for the California Community College system.

The cost to have an optimal level of participation by institutional representatives in consultation task force meetings is estimated to be \$473,000 and the additional estimated cost of task force facilitation is \$93,000.

The list of consultation task forces contained in the table below are ones that are currently working to develop policy in the stated areas. Task forces are convened as necessary during the year and dissolved when the work is completed, so that the number of groups working on policy development through consultation at any one time may be greater or lesser than shown.

ESTIMATE OF COSTS FOR DISTRICT PARTICIPATION

Task Force	Annual Meetings	Costs for Six District Staff	Facilitation Costs
Education Code Rewrite	9	41,688	16,740
Public Awareness & Marketing	3	13,896	CCLC*
Partnership for Excellence	7	32,424	13,020
Review of Shared Governance	12	55,584	22,320
Review of Consultation Process	6	27,792	11,160
Full-Time/Part-Time Faculty	6	27,792	11,160
Diversity	5	23,160	9,300
Budget	14	64,848	CO**
Legislation	24	111,168	CO**
Accountability	5	23,160	9,300
California Virtual University	6	27,792	CO**
Review of Certificates	5	23,160	AS***
TOTAL	102	\$472,464	\$93,000

* CCLC.... Community College League of California

** CO.....Chancellor's Office

*** AS.....Academic Senate

In order to improve the quality and depth of local district participation in the Board of Governors' consultation process (the systemwide shared governance process), this proposal would create a consultation process fund in the amount of \$565,464, to be administered by the Chancellor's Office and used to enter into agreements with community college districts to reimburse their costs in enabling staff who are experts in particular fields to be released to participate in the Consultation Council's policy development task groups and also to allow for district employees with expertise in the appropriate fields to facilitate the more complex and time-consuming policy development efforts occurring in the Board of Governors' consultation process.

FACULTY AND STAFF DEVELOPMENT

Base Funding Level	\$ 5,233,000
1999-2000 Augmentation Request	<u>\$15,000,000</u>
Total 1999-2000 Funding Request	<u>\$20,233,000</u>

BACKGROUND/HISTORY

The Faculty and Staff Development Program Unit is responsible for insuring compliance with Title 5 provisions relating to minimum qualifications for faculty and administrators, as well as other AB 1725 employment reforms, the unit allocates and administers the local assistance funds for Faculty and Staff Development programs, and also provides technical assistance associated with these programs.

The Faculty and Staff Development fund was established nearly ten years ago by legislation which envisioned that not less than two percent (2%) of the community college system budget would be dedicated to faculty and staff development. Today, adjusting for inflation, that amount would equate to approximately \$70 million. The original appropriation of \$5 million, which has not changed since 1990, provided an average of one half day of training per person for a workforce of approximately 60,000 faculty and staff. An additional \$4 million, appropriated for technology training for the 1997-98 fiscal year, increased the total to one full work day per staff person per year for training.

An augmentation of the Faculty and Staff Development appropriation is needed to obviate the dilution of the current fund affected by inflation, and to support critically needed changes to the program to improve student success in the 106 community colleges. The infusion of funds will also be used to develop statewide initiatives designed to prepare faculty and staff to more fully utilize methods now being employed in established and emerging industries, current practices and techniques available in teaching and learning, and to standardize the approaches used to develop curriculum. Understandably, a limited number of additional staff will be needed to perform developmental work on the systemwide initiatives and to provide program and fiscal oversight of the operation at the local level.

STATE LEVEL CONSIDERATIONS

Population statistics and economic forecasts clearly show that within five years the community colleges will experience what is termed "Tidal Wave II," an inflow of students comparable in size to the "Baby Boom" demand on educational resources during the 1960s. If we are to be prepared to meet that challenge we must be equipped with not only facilities and technology but also the people capable to design and implement the system changes needed to accommodate that demand. The Human Resources Division will be intimately

involved in planning for increased need for instructors and administrators, dealing with the diverse nature of the new student population, developing systems to best capture information to evaluate the effectiveness of those programs, and to provide the technical assistance to the local college districts to insure appropriate levels of service delivery and compliance with Article 5 of the California Education Code, Sections 87150 et seq.

Beyond these considerations, the Society for College and University Planners (SCUP) projects that the learning society now upon us will require, in addition to continuous on-the-job training, an occupational "retrofitting" every five years resulting in a continuing demand for job retraining of some 20 percent of the entire workforce each year.

JUSTIFICATION

The Faculty and Staff Development fund apportionment is grievously inadequate to meet training needs of our current workforce. The purchasing power of the fund has been diluted over the last eight years because of an increase of over 10,000 employees, 15 percent of the total work-force, without a corresponding increase in our appropriation. This growth has put demands on state faculty and staff development resources that could not have been met without matching funds from other already limited college resources. Current AB 1725 allocations are well spent and are matched or exceeded by district funds, since they recognize the institutional benefits to be derived from an investment in employee development. During the 1996-97 fiscal year, for example, statewide contributions by the colleges equaled an amount approximately four times our annual allocation to the colleges.

This new culture of emerging industries and those retooling with advanced technologies demands up-to-date skill levels of existing staff and new employees. The community colleges must not only keep pace with the technological trends of industry but we must be innovators. In order to remain competitive with private educational institutions we must offer our students contemporary course content that will prepare them with cutting edge skills for employment in a dynamic economic setting. To that end, our faculty must be afforded the opportunity to maintain current in their fields through training and information exchange. A systemwide approach related to addressing the human resource needs of California industry will offer mobility and adaptability of our students in an ever-changing work environment. Statewide initiatives to employ the best practices and methods of instruction and learning will enhance student success, and will standardize high quality curriculum development techniques throughout the system.

Recent advances in industrial technology have affected wholesale changes in teaching methods and equipment used in vocational disciplines, which have redefined training needs for instructors and technicians alike. The move to highly technical equipment in industries such as automotive repair, dictate that

instructors be kept abreast of new techniques and terminology. Due to a shortage of available funds, instructors often take the personal and professional initiative to attend industry sponsored seminars at their own expense. To insure that all instructors have an opportunity to receive the most up-to-date knowledge and techniques in their discipline, sufficient staff development funds for such purposes should be provided.

The base personnel replacement figures reflected below were derived from 1996 Faculty and Staff Data of the Management Information System of the Chancellor's Office. Retirements are based upon the percentage in each category that will reach age 65 by 2010, according to MIS data corrected by the percentage currently in the system at age 65.

Projected New Hires

Projected Employment for Faculty and Staff of the California Community Colleges 1998-2110

EMPLOYEE GROUP	CURRENT TOTAL	GROWTH AT 35%	REPLACEMENTS	EXPECTED TOTAL 2010
Full-time Faculty	15,300	5,355	10,400	20,655
Part-time Faculty	28,670	10,085	17,500	38,755
Professional	2,600	910	1,900	3,510
Certificated Admin	1,497	524	1,275	2,021
Classified Admin	735	257	450	992
Classified Non-Adm	16,720	5,852	10,050	22,572
TOTALS	65,522	22,983	35,375	88,505

The projected personnel expansion arrayed above assumes a 30 percent growth in enrollments by 2010, based upon the most recent estimates of population growth by the California Post-Secondary Education Commission (CPEC).

The continuous upgrading of skills of faculty and staff will be critical if we are to keep pace with the growing competition in education from commercial concerns, and most importantly, equip them to provide the highest quality of education to our students.

BEST COPY AVAILABLE

Thus, our challenge is three-fold over the next several years. We must prepare our students with the latest available instruction, hire and train considerable numbers of new faculty and staff, and have the resources to equip them with the tools to meet the demands on the system occasioned by "*Tidal Wave II*". The requested \$15 million augmentation will provide the means to move in that direction.

ACADEMIC SENATE

Base Funding Level	\$452,000
1999-2000 Augmentation Request	<u>\$ 45,200</u>
Total 1999-2000 Funding Request	\$497,200

BACKGROUND/HISTORY

Pursuant to Title 5 §53206, the Academic Senate for California Community Colleges provides a formal and effective procedure for the faculty of the community colleges to participate in formation of state policies, particularly on academic and professional matters. The Board of Governors relies primarily on the Academic Senate in the preparation of the disciplines list and minimum qualifications of faculty pursuant to Education Code §87357. The Academic Senate also provides assistance to local academic senates in performing their statutory functions regarding:

- effective participation in district and college governance, Education Code §70902(b)(7) and Title 5 §53200-204;
- hiring criteria, Education Code §87360(b);
- minimum qualifications, Education Code §87615(b) and §87359(b);
- evaluation, Education Code §87663(f) and §87610.1(a);
- faculty service areas, Education Code §87743.2;
- administrative retreat rights, Education Code §87458(a);
- hours of instruction, Title 5 §53310(g);
- student equity plans, Title 5 §54232(b);
- curriculum committees, Title 5 §55002(a)(a);
- distance education course quality determinations, Title 5 §55374; and
- matriculation plans, Title 5 §55510(b).

The full range of activities of the Academic Senate can be more fully appreciated by visiting the two web sites the Academic Senate maintains.

The Academic Senate also provides training directly to faculty via both a summer institute format, currently with three week-long activities on leadership, technology mediated instruction, and curriculum, and in conference format, with two annual plenary sessions. The Academic Senate also sponsors or co-sponsors several one day conferences each year, most recently on budget, part-time faculty issues, CalWORKs, and articulation (intersegmentally with UC and CSU faculty).

These expanded responsibilities and activities have stretched the resources of the Academic Senate. Our current Board of Governor's grant of \$452,000 was last augmented in 1989-90 by 19 percent from its previous value of \$379,285. During the intervening ten years, there has been no state augmentation at all, not for cost of living and not for growth in the number of faculty served.

STATE LEVEL CONSIDERATIONS

Our recent grant agreement (No. 97-0081) was revised last year to bring the agreement between the Board of Governors and the Academic Senate up to date, and now additional funds are needed to continue to do the important work of representing and supporting the faculty of the California Community Colleges on academic and professional matters. The proposal of \$45,200 would provide a 10 percent increase over existing funds. Furthermore, it is proposed that the Academic Senate line item be included with those categorical programs that are ordinarily given a cost of living enhancement each year.

JUSTIFICATION

Failure to adequately fund the Academic Senate would mean that the faculty of the community colleges would not be effectively represented at the state level on academic and professional matters. Furthermore, assistance to local faculty, both on policy issues and direct provision of instruction and services, would stagnate. Consequently, state and local policies would not reap the benefits of faculty involvement and, in addition, direct provisions of services to students would suffer.

This budget change proposal requests \$45,200 (10%) of local assistance funds to increase the Academic Senate grant to fund expanded responsibilities and activities. In addition, it also proposes a cost of living enhancement each year.

DISABLED STUDENTS PROGRAM

Base Funding Level	\$52,277,000
1999-2000 Augmentation Request	<u>\$10,143,000</u>
Total 1999-2000 Funding Request	\$62,420,000

BACKGROUND/HISTORY

Both federal and state law prohibit discrimination by colleges on the basis of disability and require auxiliary aides and accommodations to any student with a qualified disability enrolled in the colleges (Section 504 of the Rehabilitation Act of 1973 [29 USC 794]; Americans with Disabilities Act of 1990 (ADA); Assembly Bill 803 [Gov. Code sec. 11135-39.5]). In order to assist the colleges to meet these nondiscrimination requirements, the state has provided funding through the Disabled Student Programs and Services (DSP&S) to allow students with disabilities to participate fully in the educational process.

The public has a heightened awareness of, and thus, demand for accommodations as a result of the passage of the Americans with Disabilities Act (ADA) in 1990. For example, between 1980 and 1990, the number of DSP&S students increased from 46,586 to 48,369 an increase of only 3.8 percent. Since the passage of ADA, the DSP&S student population has increased by 48 percent. In addition, in 1991-92, students with psychological disabilities became the ninth recognizable disability group, adding over 6,000 students eligible for DSP&S support services. A DSP&S augmentation would enable colleges to meet their responsibilities under Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990 on a more timely basis.

In addition, the augmentation would allow the colleges and the Chancellor's Office to address two recent developments which are impacting DSP&S programs statewide as well as the workload of the Chancellor's Office. First, the Office of Civil Rights (OCR) of the US Department of Education, based on complaints from students with disabilities, evaluated the community colleges for compliance with the ADA and Section 504 in terms of the provision of alternate media for students with disabilities who require such accommodations. Their findings indicate that significant efforts will need to be undertaken by most colleges to improve the timely availability of printed materials and access to information provided via the computer. The provision of the material in alternate format (Braille, large print, or electronic text) is most often needed by students with visual impairments who require the information for completion of their coursework. However, under the ADA, the college must also provide the general public as well as family members and prospective students with applicable printed materials (college catalogs, class schedules, public announcements) in alternate format as well as provide access to computerized information (Web Pages or distance learning classes) in an accessible format.

The augmentation of funds per student would assist the colleges in meeting this need. Second, DSP&S programs are being impacted by CalWORKS students. Numerous campuses report students from CalWORKS being referred to DSP&S for assessment for learning disability. These students need assessment on a time urgent basis. CalWORKS funds cannot be utilized for the assessment which impacts the DSP&S workload at the campuses. Therefore, this augmentation includes funding for approximately 1,355 additional LD assessments (or a very conservative estimate of 1 percent of the CalWORKS students referred who would be added workload to the DSP&S program) at an estimated cost of \$263 per assessment for a total of \$356,256. In addition, it is anticipated that a number of the CalWORKS students will be students with disabilities (learning, psychological, or recovering substance abuse) eligible for DSP&S services.

STATE LEVEL CONSIDERATION

State policy has long reflected and relied heavily on the guarantees provided by state and federal laws. In 1960 the Master Plan for Higher Education affirmed the diverse mission of community colleges and placed at its core a commitment to universal access to higher education. In 1973, Section 504 of the 1973 Rehabilitation Act and Assembly Bill 803, established that students with disabilities must have access to general college services and instruction with DSP&S providing additional specialized support, allowing students with disabilities to benefit from course offerings and support services at the college. In 1976, the legislature passed AB 77 which approved funding for DSP&S programs to provide special support services to students with disabilities in attending postsecondary institutions.

It is also a state level consideration to provide sufficient staff in the Chancellor's Office to administer the categorical funds allocated through DSP&S as well as to monitor the colleges to assure that these funds are utilized appropriately to serve students with disabilities as outlined in the applicable Education Code and Title 5 regulations. In addition, the Chancellor's Office is often called upon to play a leadership role in program development and technical assistance for DSP&S on emerging issues related to ADA compliance as well as for successful practices to increase the successful retention and graduation of students with disabilities. It is necessary and appropriate for such assistance to come from the central office of the system to assure consistency in its application as well as a broader, coordinated approach with other community college issues and resources. At this time, due to the reductions in staff because of budget cuts during the recession, the DSP&S unit is unable to adequately fulfill this role.

JUSTIFICATION

A \$10.1 million augmentation in local assistance funding will bring the DSP&S program back to a funding level per student to that of 1989-90, adjusted for inflation. The student funding level has decreased by 20 percent, from \$640 to \$532 per student and if inflation is considered, the decrease is 33 percent over the past seven years. Without a DSP&S funding augmentation for increased numbers of students, colleges will be unable to provide an adequate level of support services to students with disabilities in 1998-99 and beyond.

The intended outcomes of this augmentation request include the following:

First, the augmentation to colleges will eliminate existing legal liability related to state and federal non-discrimination laws. Such elimination will increase college protection against legal action brought by consumer or advocacy groups on behalf of students with disabilities. In other words, students with disabilities attending California community colleges will receive support services in a timely and effective manner, both of which are required by the ADA and Section 504.

Second, students with disabilities will be more successful in meeting their academic and vocational goals. DSP&S support services have a direct effect on the success rate of students with disabilities. A report prepared by the California Postsecondary Education Commission (CPEC) in 1992, entitled Student and Staff Satisfaction with Programs for Students with Disabilities states the following:

" These data show that, in general, students who participate in disabled student programs and services (DSP&S) persist towards degrees and receive degrees at rates significantly higher than a cohort of non-DSP&S students with similar transfer and graduation goals, although the DSP&S and non-DSP&S students have similar transfer rates and percentages of course work completed with a grade of "C" or better".

Lastly, regarding the staff augmentation, the state will restore its ability to monitor the DSP&S programs for effective use of funds as well as provide program development and technical assistance to the colleges on issues related to serving students with disabilities.

In order to maintain an adequate level of support services to students with disabilities, we propose a funding augmentation to DSP&S programs in the amount of \$10.1 million which would bring the per student funding level to the 1989-90 level. Furthermore, a DSP&S funding augmentation would enable colleges to meet their responsibilities under Section 504 of the Rehabilitation Act of 1973 and Title II of the Americans with Disabilities Act of 1990.

MATRICULATION (CREDIT)

Base Funding Level	\$53,934,000
1999-2000 Augmentation Request	<u>\$12,000,000</u>
Total 1999-2000 Funding Request	\$65,934,000

This proposal seeks to augment the current credit matriculation allocation by \$12 million to begin to establish a level of funding commensurate with the number of credit students enrolled in the California Community College system in order to provide equitable opportunity for students to gain access and attain their educational and employment goals. In 1996-97, districts and colleges spent approximately \$234 million to provide students the services that have been determined to facilitate the achievement of their educational objectives of transfer preparation, degrees and certificates attainment, and workforce preparation.

BACKGROUND/HISTORY

The statewide matriculation program was created through state legislation (AB 3, 1986) mandating that a specific set of services be provided to credit students to optimize their opportunities for success by ensuring that all students receive appropriate educational support services at community colleges. Matriculation is a process by which all community college students are provided the assistance to establish and achieve realistic educational goals, including, but not limited to, associate of arts degrees, transfer for baccalaureate degrees, and vocational certificates and licenses.

Matriculation is designed to provide admissions, assessment, orientation, counseling, and follow up to all students enrolled in credit courses. In any one academic year, fully two-thirds of the community college enrollment (1.5 million) is composed of students enrolled in credit programs and courses; the remaining third are enrolled in noncredit.

Matriculation also calls for activities designed to foster institutional effectiveness: research and evaluation, prerequisite implementation, and coordination and training. However, given the current level of matriculation funding, the colleges are hampered in their efforts to implement these activities to the degree that is required by Title 5 regulations. Because of scarce resources, the colleges have tended to place less of a priority on institutional effectiveness measures and more on providing students with "up-front" support services. It is important to note that the intent of institutional effectiveness activities is to utilize data gathered from various components of matriculation to develop an integrated, computerized database that is useful for longitudinal research, planning, and evaluation of student outcomes and institutional programs and services. It has

become increasingly difficult on both a local and statewide basis to measure matriculation's impact on student retention and persistence, as well as other relevant indicators of student success due in part to matriculation being underfunded.

Pursuant to Article 1.5 (commencing with Section 78210 of the California Education Code) state fiscal support for this effort began in the 1987-88 academic year establishing the 3:1 match provision whereby each dollar allocated by the state for matriculation services would be matched by three district dollars. The State of California adopted formal regulations that delineate specific procedures, activities, and prohibited practices related to the implementation of the matriculation process in July 1990, (Title 5, commencing with §51024).

Matriculation Fiscal Allocations History

1986-87	\$ 7,000,000
1987-88	20,376,642
1988-89	20,000,000
1989-90	35,870,000
1990-91	38,413,000
1991-92	39,212,000
1992-93	41,867,000
1993-94	42,224,653
1994-95	42,882,668
1995-96	44,967,000
1996-97	47,803,000
1997-98	50,700,000
1998-99	53,934,000

STATE LEVEL CONSIDERATIONS

Recently proposed public policy has called for increased accountability with respect to critical student outcomes (AB 1162, Migden). Access to the community college of their choice and the equitable opportunity to receive a quality education are primary rights assured to community college students through matriculation. While access is fundamental, a number of college studies indicates that in addition to increasing access in the community college system, matriculation does indeed have a positive affect on successful retention and persistence among community college students (Board of Governors Annual Report: Matriculation and EOPS, March 1993).

Finally, the need for programs and services within the mission of the community colleges will be substantially greater in the 21st century because of changing work force needs, the changing economy and society, and increased diversity. Meanwhile, the community colleges are currently having to use discretionary

funds of 80 percent or more to begin to make up the deficit in matriculation funding provided through the state budgetary process.

JUSTIFICATION

State categorical matriculation funds cannot represent more than 25 percent of the total expenditure for matriculation. The district contribution from other sources must represent at least 75 percent of the total. However, colleges and districts continue to contribute greater than the 75 percent match required by law to serve only a portion of the total population eligible for services. Most recently, the matriculation state allocation in the 1998-99 fiscal year was \$53.9 million. Current cost for providing matriculation services to students is \$480 per student per year with respect to the workload assumptions inherent in the credit allocation formula (Assessment of the Matriculation Allocation Formula, MPR Associates).

Admissions	\$ 87	Orientation	\$ 18
Assessment	\$ 67	Counseling	\$260
Research	\$ 19	Coordination	\$ 29
Total			\$480

Given the cost (\$480) and the number of credit students in the system (over 1 million), matriculation is grossly underfunded. Resources are currently available to serve merely one-half of those eligible students currently in the system. Additionally, program site reviews of all 106 colleges conducted from 1990 through 1998 revealed that scarce resources has resulted in efforts focused on the provision of "up front" services such as admissions, orientation, counseling, and assessment; while efforts and mandated activities such as student follow-up, institutional research and evaluation, and data processing specific to matriculation continue to be hampered.

The cost to the districts for the provision of these services in 1996-97 was approximately \$234 million: \$187 million district contribution, or 80 percent; and \$47 million state allocation, or 20 percent. If all eligible students were indeed provided matriculation services, colleges would have done so at a rate of \$251 per student in 1996-97—at about half of the actual cost established in 1990. In order to fully meet the current need for matriculation services for students and allow for a greater number of students to be served a broader array of services, the statewide credit matriculation program should be augmented by \$12 million, thereby bringing the state's contribution back to 25 percent of the total cost currently directed toward this effort.

MATRICULATION (NON-CREDIT)

Base Funding Level	\$10,000,000
1999-2000 Augmentation Request	<u>\$16,000,000</u>
Total 1999-2000 Funding Request	<u>\$26,000,000</u>

In 1997, the legislature adopted AB 1542 and AB 107. With the passage of these bills, community college districts received a \$10 million appropriation to extend matriculation to students enrolled in noncredit classes, courses or programs. These services include, but are not limited to, orientation, assessment and counseling/advisement. These specific services are deemed vital to the full participation and retention and the matriculation of noncredit students, particularly those whose welfare assistance and transition to the workplace is predicated upon their enrollment and successful academic completion in noncredit community college courses.

This proposal seeks to augment the current noncredit matriculation allocation by \$16 million to establish a level of funding commensurate with the number of noncredit students now enrolled in the California Community College system.

BACKGROUND/HISTORY

The statewide matriculation program was created through state legislation (AB 3, 1986) mandating that a specific set of services be provided to credit students to optimize their opportunities for success, establish realistic educational goals, and ensure students are not excluded from receiving appropriate educational services at community colleges. While the goal of statewide Matriculation is to further the equality of educational opportunity and success for all students, there were no provisions to extend these services to students enrolled in noncredit courses. However, most community colleges attempted to provide matriculation services to students enrolled in noncredit courses. Consequently, the range and level of available matriculation services for noncredit students have been hampered.

During the 1996-97 legislative session, considerable discussion occurred concerning the need for matriculation services for students enrolled in noncredit classes, courses and programs. Commencing with the 1997-98 fiscal year, community colleges were provided with funding to extend matriculation services to students enrolled in noncredit courses and programs; most recent data indicate that approximately 32 percent of the total California community college enrollment are enrolled in noncredit courses-- this represents approximately 484,000 noncredit students in 1996-97.

During the initial year of implementation, approximately 84 colleges were eligible to receive funding based on the criteria for funding: first year funding was allocated to those districts with colleges generating 20 or more Full-Time Equivalent Students (FTES) by noncredit attendance for the 1996-97 fiscal year and served students in one or more of the following noncredit course categories:

- Elementary and Secondary Basic Skills
- English as a Second Language
- Adults with Disabilities (courses designed to provide transition skills in integrated programs, employment or community services above and beyond student support services)
- Citizenship/Immigrants
- Parenting
- Short Term Vocational

The 1997-98 Noncredit Matriculation appropriation funded 73 colleges, serving 478,174 students. In 1998-99, ninety community colleges are currently eligible to receive noncredit matriculation funding. At the current level of statewide funding (\$10 million), noncredit matriculation allocations will decrease as the number of participating colleges increase.

STATE LEVEL CONSIDERATIONS

The expansion of matriculation services to include noncredit students has been a concern since 1986. In 1989, the *Californians Task Force On Noncredit Education* met to discuss the emerging needs of noncredit students specific to the services provided through matriculation. The *Californians* recommended that all students who could benefit, should have access to appropriate programs and courses offered by community colleges to "facilitate successful completion of student educational objectives in accordance with applicable standards of educational quality." Community colleges have been committed to achieving this recommendation with no state appropriations directed towards this effort until subsequent funding of \$10 million in 1997-98.

Noncredit students are participating in courses designed to improve their opportunity for transition into credit courses, transfer to higher segments of education, gainful employment and/or career advancement. In order to be successful in the pursuit of their goals, these students are particularly in need of a broader array of comprehensive student support services to improve retention, persistence and completion. Matriculation services are essential to bridging the gap between noncredit and credit enrollments. Additionally, nearly 80 percent of all underrepresented students who attend higher education begin their education at a community college. Many of these students enroll in basic skills instruction, English as a Second Language and short-term vocational courses.

JUSTIFICATION

The California Community Colleges are currently experiencing increased student diversity in ethnicity, native languages, and in academic skills. Therefore, the need for comprehensive matriculation services for all students, credit and noncredit, is imperative. Colleges must be prepared to meet the challenges of the ever widening spectrum of student learning skills which are evidenced in part, through increased enrollments in elementary and secondary basic skills courses, English as a second language and short-term vocational course offerings. To successfully serve these students and the State of California, community colleges must provide and create environments conducive to the unique needs of these students. Since the inception of the funding for matriculation services, students enrolled exclusively in programs or courses for which they earned no credit, have not been included in workload assumptions and models related to matriculation funding, and no other source of funding for serving noncredit students existed until 1997. It is clear that colleges need the resources to strengthen programs that deal with differences of student preparedness and learning styles, including assessment, remediation, and goal selection. Funding for noncredit matriculation services has provided the opportunity for new delivery systems that facilitate the smooth transition of noncredit students into degree credit programs, and certificated training programs, and provide increased opportunities to enhance skills, promote career ladder pathways and fulfill life-long learning goals.

Current cost for providing matriculation services to students is \$480 per student, per year with respect to the workload assumptions inherent in the credit allocation formula.

The *Assessment of the Matriculation Allocation Formula*, MPR Associates, June 1990 report concluded the following costs per service:

Admissions	\$ 87	Orientation	\$ 18
Assessment	\$ 67	Counseling	\$260
Research	\$ 19	Coordination	\$ 29
Total			\$480

The total cost for the provision of these services to some 484,000 students enrolled in noncredit courses is approximately \$233 million. If all eligible students were indeed provided the full array of services at the current allocation, colleges would be doing so at a rate of \$42 per student -- at less than 10 percent of the actual cost established in 1990. Assuming an eventual district match of 3:1, similar to credit matriculation, the cost to the State is \$58 million. In order to fully meet the current need for matriculation services for noncredit students, the statewide noncredit matriculation program should be augmented by \$48 million over a three-year phase-in period; this proposal seeks \$16 million for 1999-2000.

ECONOMIC DEVELOPMENT

Base Funding Level	\$33,072,000
1999-2000 Augmentation Request	<u>\$ 9,835,000</u>
Total 1999-2000 Funding Request	\$42,907,000

BACKGROUND/HISTORY

The Economic Development Network, (ED>Net), began in 1987 under the guidance of a field-based steering committee. In 1991, the state legislature codified, in AB 1497, economic development as a part of the community college mission. In 1995, AB 3512 amended and extended the earlier legislation. The program is guided by a 27-member executive committee, eleven statewide strategic priority committees and seven regional consortia which represent ten major regions of the state. A strategic plan for the program was developed in 1991 and adopted in 1992. The strategic plan's mission statement and goals were codified in statute as the mission of the Economic Development Program. Annual plans and reports are prepared and submitted to the Board of Governors. These documents serve as the guide for policy direction, distribution of the funding, and accountability for outcomes and results.

The 1998-99 proposed expenditure plan for implementation of *Business Resource, Assistance, and Innovation Networks* at the current level of appropriation allocates funding in four parts: (1) regional centers at \$17,536,535; (2) leadership, organizational development, coordination, information and support at \$2,919,000; (3) regional collaboratives at \$7,617,465 (with recent \$4 million augmentation for IDRCs); and, (4) job development incentive training at \$5 million. The 1999-2000 proposed budget requests \$9.835 million to expand the funding for Industry Driven Regional Collaboratives, implement newly designated community college economic development regions of the state, create a new initiative for information technology and establish a funding mechanism for new emerging initiatives. All projects are administered and implemented by community colleges. The expenditure plan funds an estimated 250 projects at colleges throughout the state. This represents a total Economic Development Program budget of \$33,072,000 (less than 1 percent of the total local assistance funding in local assistance).

STATE LEVEL CONSIDERATIONS

The Industry Driven Regional Education and Training Collaborative (IDRC) component of the Economic Development Program (ED>Net) was introduced with the augmentation of the program in 1997-98. The IDRC models how

regional economic development needs can be met and government services delivered. The IDRCs include participation from business and industry, labor, and government, professional and trade association and community groups.

The IDRC component addressed a need for flexibility and regional response to business training and assistance needs. The initial Request for Applications for the augmentation funds of 1997-98, resulted in 46 applications, 38 of which were approved for funding. Eleven of the 38 projects were funded initially with available funds of \$1,723,192. Funding was made available to the remaining 27 projects in June of 1998, with the approval of a Section 28 request to move funds from the Job Development Incentive Training Program to the IDRC.

The Request for Application process initiated for the 1998-99 fiscal year, resulted in 45 applications for IDRC funding. Forty-three (43) projects were approved for funding. Six 1997-98 projects approved for second year funding and six new projects were funded for 1998-99, with available funds of \$2,387,465. A \$4 million augmentation in August of 1998 funded 20 more projects, leaving 17 approved projects without funds and representing a need for an additional \$2,139,120 (total of \$8,526,585 needed for 1998-99 project year).

Budget control language for 1998-99 requires that award amounts not be restricted to any predetermined limit. To honor this requirement, Request for Applications for the IDRC category for 1999-2000 will not be restricted to any predetermined limit of funds. This factor presents a greater opportunity for large dollar projects with industry partners. However, this factor also will limit the total number of projects to be funded even more drastically than in the past two cycles. Thus, a request for \$8 million in additional funds for this category to fund regional partnership projects between economic development agencies, industries, and community colleges.

The community college Economic Development Program funds are allocated to colleges on a competitive basis. Funds are used to provide colleges with the opportunity to build capacity to accomplish the program mission and objectives. To enable capacity building, colleges are given the opportunity, within strict parameters, to continue grant activities for a maximum of five years before participating in the competitive process again. Thus, funds are obligated to projects and designated each year by category to meet these commitments.

JUSTIFICATION

This request proposes to augment the Economic Development Program to increase the funds available for Industry Driven Regional Education and Training Collaboratives, establish a new Information Technology Initiative and establish a mechanism of funding to enable a response to new or emerging technologies or initiatives. This request for \$9.835 million encompasses the three areas as follows:

I. Increase in Industry-Driven Regional Collaboratives

Applications from community colleges for this category of funding in the 1998-99 fiscal year exceeded \$8.5 million. With the \$4 million augmentation received in August of 1998, a little over \$6 million in projects were funded (32 new and renewal projects). This new component, Industry-Driven Regional Collaboratives (IDRC), was specifically designed to respond to local needs and offers a broad menu of activities for colleges to work in partnership with industry.

The majority of the 1997-98 economic development augmentation of funds was used to fund new and existing center programs. The response from the field for regional collaboratives demonstrated a need for more funds and resources to support this area. Budget control language for 1998-99 requires that award amounts not be restricted to a predetermined amount. This factor will limit the availability of funds and the number of projects more drastically. Additional funds are needed to respond to the expressed needs of local colleges' partnerships with local economic development agencies and industries. The \$8 million is requested to augment the Economic Development Program capacity to respond to the requests for funding these projects.

Education and government code requires the Economic Development Program to develop regional economic development plans and to define economic development regions. A review is being conducted this year to consider the realignment and designation of new economic regions based on the plans and economic and labor market factors, as opposed to the ten administrative regions currently designated. The newly designated regions will require \$500,000 in 1999-2000 to organize and implement the economic development activities for the respective regions.

II. New Initiative - Information Technology

The Economic Development Program will add a new initiative to the existing ten initiatives. The new emerging initiative is in the area of information technologies.

Using the most recent data from California EDD, total computer-related jobs will rise in this state from 251,150 (1993) to 377,960 (2005). A rise of more than 50 percent. Total jobs for information-related occupations has been identified as even more explosive. Total information-related jobs by a recent EDD study show an increase of 2,838,870 or 28 percent. By 2005, 85 percent of all jobs will be information-based.

The California Community College Economic Development Program proposes to develop a new initiative to support the ongoing need in today's marketplace. This new initiative will encompass the development of statewide training programs in the following areas: (I) Geographic Information Systems - Information System (IS) Technician, Geographic Information System Technician, Transportation, Emergency Response, Facilities Management, Agriculture

Management, Land Use Planning Biotechnology, Health Care Industries, etc. (2) Network Technologies - Network Administration, Operating and Routing Systems, Intelligent Control Systems, Network Technician. (3) Telecommunication Technology - Fiber-Optic and Cable Maintenance, Satellite Communications, Cellular Industry, Entertainment Industry. This proposal will do the following: Establish the IT Initiative, fund one statewide initiative director, and fund five IT Business/College Assistance Centers (total of \$1,029,375).

III. Emerging Initiative Start-Up Fund

A \$305,625 fund will be established as a mechanism to address new identified emerging initiatives.

In the past, the establishment of new or emerging initiatives, such as multi media/entertainment, experienced delays in start-up activities due to a lack of a funding mechanism. It is of paramount importance that the community college Economic Development Program have the capability to respond to the need for funding new programs/initiatives as they are identified.

ENHANCING TRANSFER EFFECTIVENESS

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$3,550,000</u>
Total 1999-2000 Funding Request	<u>\$3,550,000</u>

* Districts fund transfer function activities out of their limited operating budgets.

BACKGROUND/HISTORY

Successful transfer of students from the community colleges is a basic premise of the *Master Plan of Higher Education* and is the foundation for legislation such as AB 1725, SB 121, SB 1914, and SB 450. Education Code Section 66722, states that the transfer function shall be a central institutional policy of all segments of higher education in California.

With that history, we are now presented with an opportunity to benefit from an intersegmental effort for transfer that has not previously existed. The Community Colleges has entered into a Memorandum of Understanding (MOU) with the University of California. Discussions are underway with both the CSU and the Association of Independent California Colleges and Universities (AICCU) to create similar memoranda.

The impetus behind the MOU is enhancement of student transfer, and issues have been identified that, when addressed, will document performance outcomes toward accomplishing this goal. These efforts must, by necessity, first be addressed by the community colleges who have the charge and responsibility of preparing students for transfer; only then can there be benefit from the intersegmental efforts.

The issues identified and the objectives to be addressed with this proposal are:

1. effect lower division major preparation articulation through a series of funded faculty workshops;
2. increase the understanding of how courses that meet the general education requirements are met, certified, and represented in the transfer process;
3. provide comprehensive documentation of outcomes of transfer activities; and
4. effect an integrated intra-campus effort for "seamless" transfer.

STATE LEVEL CONSIDERATIONS

State policy identifies preparing students to transfer as a priority within the community colleges. Section 51027 of Title 5, California Code of Regulations, establishes that the governing board of each community college shall recognize transfer as one of its primary missions. SB 121, added to the California Education Code in 1991, requires that each community college establish minimum program standards for Transfer Center activity. The more students who can be prepared and actually effect transfer, the more successful the colleges are in addressing their mission. Increasing transfer means eliminating or reducing the barriers that restrict this program objective.

Two legislative actions, Senate Bill 450 (1996), which requires the Community College system to develop a common course number system, and Senate Bill 121 (1991), establishing minimum standards for Transfer Centers, both address the critical nature of course articulation in assisting transfer. These actions serve as the foundation for this proposal, which seeks to extend the current process of articulation by sponsoring faculty to meet regularly to increase course-to-course, lower division major preparation, and general education articulation for the community colleges. A later phase of the effort will incorporate the intersegmental institutions to include the CSU, the UC, and the private universities.

Statewide articulation of courses is available for CSU campuses and CCCs participating in the California Articulation Numbering System (CAN). These courses have a common CAN course number throughout the CCC and CSU campus catalogs. Course articulation agreements, campus to campus or through CAN, are made available via Internet through ASSIST (Articulation System Stimulating Inter-institutional Student Transfer). ASSIST serves as the official repository for articulation. These existing mechanisms will be utilized by this project.

This project seeks to provide greater collaboration among faculty in California's public and private postsecondary institutions to ensure courses completed at one institution will be predetermined to be equivalent in nature to other courses available at the four-year institutions. This process is called "articulation". This project significantly expands articulation beyond current collaborative agreements.

This project also seeks to address three of the remaining major issues affecting the transfer of students: (1) evaluation of transfer efforts to build on success; (2) implementation of a "seamless" transfer, allowing all resources regardless of funding source at each institution to be used to benefit all students; and (3) clarification of practices relating to general education that affect all transfer students.

JUSTIFICATION

A \$3,550,000 program augmentation in local assistance funding will allow the campuses to implement transfer efforts that have not previously existed. Without funding augmentation, the efforts detailed below are not possible, significantly impacting the effect of any future intersegmental coordination.

The intended efforts of this augmentation are detailed as follows:

Faculty Articulation Workshops

This proposal will extend the current process of articulation by sponsoring faculty from the community colleges to meet regularly to increase course-to-course and major lower division preparation. An increase of articulation at the lower division level will help students meet major preparation requirements prior to transfer. Discussions have taken place on an intersegmental level, between and among representatives of the Academic Senate, to increase articulation efforts within each segment of the higher education community.

At the community college level, a total of twenty faculty members from a wide geographic distribution of community colleges will meet quarterly to initiate articulation of courses from specific majors or areas. Initially, high enrollment majors will be selected for the project by representatives of the Academic Senate.

The 1996-97 Management Information System (MIS) data identifies community college AA/AS degrees most often earned as including: Liberal Arts and Science; Nursing (RN); Business; Administration of Justice; and Social Sciences. Three of these major-related discipline areas included in the preliminary MOU discussions with the CSU are Liberal Studies for Teacher Education, Nursing, Business and Engineering. Information of this nature will be factored into the selection process.

Over a six year period, it is anticipated the enhanced articulation process will effect 30 or more disciplines, 200 or more majors, and more than 1,000 courses. Once initial articulation occurs, there is extensive time and labor-intensive effort required for maintenance of all agreements that have been made. This maintenance is critical to the integrity of the articulation process and must continue on a year to year basis.

Based on the number of major areas developed by CAN, it is anticipated that eventually a total of 40 major areas will regularly meet to keep these articulation agreements current. Faculty members will be charged with the responsibility to accelerate the process of articulation by reviewing course curriculums for possible articulation.

Clarification of General Education Requirements and the Certification Process

Meetings have already begun among Academic Senate representatives in response to SB 1472, legislation introduced and later withdrawn to allow partial completion of IGETC prior to transfer to review the mechanics of common certification of courses meeting general education requirements. This issue is identified as one most affecting all transfer students.

Three primary issues will be addressed within this proposal: (1) developing and implementing a standard form for IGETC certification; (2) investigation of identifying courses satisfying general education requirements on the student transcript; (3) analysis of detail for electronic transmittal of transcript/certification information satisfying systemwide requirements for the four-year institutions.

Students who attend more than one community college have certification of IGETC completed by the institution from which the student transfers, however, this process has been imperfect. Because of the number of courses used to satisfy requirements within the system, and differing policies, such as whether a course can be accepted with a letter grade or a "credit", the certification process requires further attention.

Courses that satisfy IGETC requirements vary from one community college to another. The same is true for GE breadth requirements, even though Executive Order 595 initiated by the CSU provides student certification to any CSU campus. This segment of the proposal is intended to address these issues.

Transfer-Activity Outcomes

Activities are in place to assist with transfer, many of them endorsed by SB 121, such as Transfer Admission Agreements, and course-to-course and major-to-major articulation. Each of these efforts is campus to campus by design, but intersegmental in nature. That is, as these agreements are developed, they relate specifically to an initiating community college, who approaches a specific four-year institution. All of these agreements, however, relate one segment of higher education to another, making them intersegmental efforts and accomplishment in fact.

Resources have not been in place to allow for an assessment of student outcomes for these efforts. To establish a baseline for intersegmental effort, it is essential to be able to assess the effectiveness of what is currently in place. Resources to document what is being done, to assess the student population served, and to establish how this is affecting transfer, are necessary before additional intersegmental efforts can be applied.

Partnership for Excellence is focused on outcome measures for program goals. Although some campuses routinely recognize degree and certificate completion upon satisfaction of requirements, many campuses require a

student-initiated application before graduation/certificate assessment is made. Standardizing this process will result in a more consistent documentation of student accomplishment and performance outcomes.

Seamless Transfer

An integrated intra-campus effort for "seamless" transfer is an institutional obligation. SB 121, with its concomitant Title 5 requirements provides, "Each community college shall submit an annual report to the Chancellor describing the status of the district's efforts to implement its transfer center(s), achievement of transfer center plan targets and goals, and expenditures supporting transfer center operations". Although the bill was integrated into California Education Code in 1991, a 1994 review of transfer centers revealed only slightly more than 50 percent of the campuses had satisfied this requirement. No further reviews have taken place. Transfer preparation is a cornerstone of the community college's mission, and successful transfer is an institutional responsibility requiring campus-wide commitment as reinforced by Title 5, Section 53200; however, there is insufficient documentation as to what actually occurs. An Academic Senate document adopted in 1996, *Toward Increased Student Success*, details the on-campus coordination that must take place to effect transfer. To date there is insufficient documentation as to what integrated efforts are in place to effect transfer, and no comprehensive data exists representing the responsibilities of each of the major campus components toward this goal. The student should not be burdened with seeking out what services are available from each program, or concerned with the sequenced steps to move to the next educational objective. The responsibility of the campus is to put the process in place so effectively, that the student is moved through each stage and provided with the "recipe" for accomplishment. For example, the *Higher Education Performance Indicators Report of 1996*, documents that CSU native freshmen with disabilities have persistence and graduation rates better than CSU non-disabled students. Community college transfer students with disabilities have lower persistence and graduation rates than transfer students without disabilities. With no *transfer ready* profile for this student population, and no documentation of services that do or do not exist, we are not prepared to effect intervention strategies.

This proposal addresses a long-term high priority need. Efforts addressed in this proposal establish a foundation to effect transfer of students from the community colleges to four-year segment institutions. Without a firm foundation upon which to base future efforts, intersegmental efforts cannot be applied to best advantage. All of these efforts set the stage to fully benefit from the intersegmental coordination now at hand.

MANAGEMENT INFORMATION SYSTEM

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$8,268,000</u>
Total 1999-2000 Funding Request	\$8,268,000

- Districts fund MIS activities out of their limited operating budgets.

This budget change proposal requests \$8,268,000 in ongoing local assistance funds to implement changes to the Chancellor's Office Management Information System to be utilized in support of new initiatives and changes in federal reporting requirements.

This BCP would provide local assistance in the amount of \$8,268,000 of ongoing funds for college districts to set up processes to report additional and/or revised data elements. These changes will furnish more accurate information on noncredit students, distance education courses, welfare recipients, common course names, student goals, program completion, noncredit matriculation, as well as new federal reporting requirements. Changes will be phased in over multiple years with districts provided at least one year of advance notice on each change.

This proposal will provide for ongoing local assistance funds to be used to support the reporting of COMIS data regardless of changes in regulations or major policy shifts. These modifications, when combined with the data already collected, will provide accurate and comprehensive information on community college students, staff, and programs.

BACKGROUND/HISTORY

To date, the MIS has only been funded with two infusions of one-time funds, yet the expectation is that it provide ongoing data collection. The original design for the project was done in 1987, prior to the passage of AB 1725. Since that time, there have been major policy initiatives, and new legislation which were not part of the original design. Some of these initiatives are in the areas of articulation, "Partnerships for Excellence", distance education tracking, student goals and certification, and federal ethnicity reporting. These initiatives along with the new State CalWORKS system, will necessitate new tracking processes to enable adequate assessment of programs serving students. There have also been major advancements in hardware and software since the original design of the project. Consequently, college districts must maintain and upgrade information systems to store and process ever-increasing amounts of data as hardware, application software, and operating systems evolve and expand.

In 1987, prior to passage of AB 1725, the Chancellor's Office received approval for a Management Information System Feasibility Study Report (FSR) which called for a phased-in implementation of a California Community College Management Information System designed to support the planning, evaluation, policy development, and resource allocation activities of local institutions. MIS Phase I was funded for fall 1989, with \$6.4 million (one-time allocation) in local assistance for implementation purposes and state operations funds. Phase II was funded for fall 1992 and contained \$4.3 million local assistance (one-time allocation) and no state operations funding. The Post Implementation Evaluation Report was submitted February 1998, identifying the final implementation of the project in the 1995-96 year.

STATE LEVEL CONSIDERATIONS

Complete and accurate information is imperative in the areas of policy, decision making, and accountability. This benefits the entire state by supplying valuable information to assess the effectiveness of the California Community Colleges. Accurate and comprehensive information also provides the basis for efficient use of our community college resources.

Without providing additional ongoing funds it is difficult, if not impossible, for college districts to collect and report additional data needed to support these new initiatives. College districts have never been provided any ongoing funds for the MIS Project. Colleges have had to devote ongoing resources to this effort, but they have only received one-time funds to implement. Providing ongoing funds will allow future flexibility to make changes without requiring Budget Change Proposals to deal with new initiatives and mandated requirements. *Attachment #1* contains a detailed list of the type of changes needed for the Management Information System. This list is not all-inclusive and only contains items which are needed over the next three-year period. Additional changes will be needed in other areas which are currently under discussion. These changes are estimated to require an average of one staff member per college to implement over a minimum of three years.

JUSTIFICATION

This BCP does not make any fundamental changes in the Chancellor's Office Management Information System but seeks funding on an ongoing basis to enable college districts to report new and revised data elements and maintain advancements in computer hardware and software which will keep the system current and able to respond to changes in policy and regulations as well as enable accurate accountability and planning.

A survey of Chief Information System Officers was done in October 1997, on the salary level for Analysts and Programmers. The results of the survey showed an average salary of approximately \$5,000 per/month and an addition 30 percent for benefits. The type of tasks required to implement the changes listed on *Attachment #1* are primarily done at the District office; however, a certain amount of work will also need to be done at each college depending on the type of change being implemented. An example is the need to analyze courses to determine which codes to use to describe the method of instruction for distance education type courses, categorizing the courses properly, and then inputting that data into the computer information system.

The \$8.268 million amount was derived using the following figures:

Average Monthly Salary	\$	5,000
Average Benefits (30%)		1,500
Total Monthly w/benefits		6,500
Total Annual p/position		78,000
Statewide (106 colleges)		\$8,268,000

We are proposing to distribute \$78,000 per district with the remaining \$2,730,000 to be distributed on a per FTES basis. This will provide districts flexibility to use the money either at the college or the district, depending on the nature of their system and the associated work tasks.

Statewide (71 districts)	\$5,538,000
Distribute p/FTES	\$2,730,000

ATTACHMENT #1

Program Unique ID Element

The first item listed involves adding a new data element to uniquely identify each type of program offered by colleges and approved by the Chancellor's Office. Currently, no integrity exists between the certificates and degrees awarded by colleges in particular program areas and whether or not those programs have been approved by the Chancellor's Office. For example a district can report a proficiency certificate in the COMIS and that certificate program will not have been reviewed or approved by the Chancellor's Office. With the shift to performance-based funding, certificates and degrees awarded will have to be held to a consistent set of standards throughout the community college system.

New Certificate Element

This item refers to revising existing data element SP02 Student-Program-Award. New codes will be added to more accurately reflect the different types of certificates and awards for both credit and noncredit conferred by the colleges. This item supports the measures used for "Partnership for Excellence".

New Federal Ethnicity Data

The federal government has revised the collection of ethnicity to be implemented by 2003 or sooner for IPEDS reporting. This revision involves collection and reporting on multiple ethnicity values for each individual student. This will require extensive changes to both the MIS collection and reporting systems.

Student Informed Consent Status

Due to privacy challenges using the federal Family Educational Reporting Privacy Act many of our current data matching projects such as Wage Data, Welfare recipients, and others are in question as to their legality. A new element may need to be added requesting student consent for the use of their education records for specified purposes.

Revised Distance Education Instructional Methods

The element currently used to collect instructional methods needs to be revised to more accurately reflect the type of distance education methods currently utilized by college districts. This will allow the use of the rest of the database to determine the relative effectiveness of the different instructional methods used.

Noncredit Course Types

This involves adding a new data element to identify the nine authorized categories of noncredit continuing adult education authorized by the legislature. The Chancellor's Office is periodically requested to supply information on the nine categories and the demographics of the students enrolled in these types of courses. This area is gaining increased attention

because of the high enrollments of seniors, immigrants, adults needing basic skills course work and short term vocational training. The funding of matriculation for noncredit is also placing renewed focus on accountability in the noncredit realm requiring a more accurate categorization of the nine noncredit areas of instruction.

Standardized Course Names

This item involves adding a data element requiring colleges to attach a common set of course discipline names in a predefined format for every course offered and reported in the COMIS. The standardized names will be added to the COMIS appendix and the element will be added to the current set of course elements. The set of standardized names will be selected from either the National Center for Education Statistics Secondary Education Course Manual, Project Assist discipline names or the Course Articulation Numbering system (CAN). After analysis, one set of standardized naming conventions will be selected based on comprehensiveness. This will help in the efforts currently underway in the area of common course numbering for purposes of consistency, transfer articulation, and vocational training.

Standardized Course Numbers

With the emphasis on articulation and the recent BOG decision to go forward with Common Course numbering this element will be added in conjunction with the Standardized Course Names element described above.

Facilities Location, Room, Building Link

In order to do utilization and planning for facilities, a linkage between the current MIS data base and the Facilities Inventory is needed. This linkage would add location, building and room identifiers to the section/session records reported in the existing MIS.

Revised ESL Element

This item will require revising existing data element SB07 Student-Language which currently requests whether English is the language the student speaks and writes most frequently. This information is not really relevant and cannot be distinguished from those proficient and not proficient in English. What is needed is whether or not the student is proficient in English. Revising this element will involve changing application forms at all colleges as well as data codes in the element. The Chancellor's Office currently derives this type of information by counting the number of students enrolled in English as a Second Language (ESL) courses. This does not allow for identifying students who are not proficient in English and who have NOT enrolled in ESL courses. This is also an area under intense scrutiny due to the high number of non-English speaking peoples immigrating to California.

Revised Goal Element

The importance of collecting accurate and current goal data has been increasing over the past few years due to the varied missions of California Community Colleges and the emphasis on measuring student success against student goal. The Student Right to Know regulations as well as regulations associated with Federal Financial Assistance require that a student be transfer, degree or certificate seeking; these goals are included in data elements SM01 Student-Matriculation-Goals and SB14 Student-Educational-Goal. However, the current elements do not allow for a student to select a goal of "Two year vocational degree or certificate with transfer." In addition, analysis has been done suggesting an additional element to contain career and vocational goals and removing those items from the original goal. This will allow students to select from both the transfer and the vocational career type goals. Revising this element will involve major changes in the application forms as well as the data reporting processes.

Welfare Recipient Tracking

It is anticipated that college districts will need to add an additional element to their databases to track welfare recipients. The Chancellor's Office is currently requesting that the California Department of Social Services allow release of Social Security Numbers of students receiving welfare benefits back to the colleges' of attendance. If this is allowed a process will need to be set up at both the local and Chancellor's Office levels to provide this information at frequent intervals so services can be provided to these students. In the event that a state data match is not allowed then a new file of SSNs identifying TANF recipients will need to be submitted by the districts to the COMIS to enable tracking and headcount allocation calculations.

Noncredit Matriculation Tracking

Data elements for matriculation already exist in the COMIS. However, noncredit students have been specifically excluded from the reporting requirements. Recent state legislation associated with Welfare Reform proposes funding matriculation services for noncredit students along with the associated reporting and accountability requirements. Tracking of these types of services for noncredit students will involve extensive new processes to be set up at the local college level.

Federal Tax Credit Reporting

College districts are required to begin reporting information to the IRS on students and parents claiming students for purposes of the new Hope and Lifetime Learning Tax Credits. The IRS reporting requirements are being phased in beginning with reporting on the 1998 year and more comprehensive reporting on fees paid for later years.

AB 1542 MANDATES

Base Funding Level	\$ -0-
1999-2000 Augmentation Request	<u>\$1,000,000</u>
Total 1999-2000 Funding Request	<u>\$1,000,000</u>

BACKGROUND/HISTORY

California's 1997 omnibus welfare reform legislation, AB 1542, contained Chapter 6, the Regional Workforce Preparation and Economic Development Act. That Act required the Secretary of Health & Welfare, the Secretary of the Trade and Commerce Agency, the Superintendent of Public Instruction and the Chancellor of the California Community Colleges to jointly carry out a series of actions which are intended to result in the creation of a coherent statewide workforce preparation system that is connected to and supports California's economic development objectives. Specifically, the Act requires the four principals and their agencies to:

1. enter into a memorandum of understanding that commits them jointly to achievement of all the requirements of the Act;
2. develop an integrated state workforce development plan that is tied to the State's economic development goals and that addresses service delivery, resource investment, and performance measures. The plan is to be developed through a collaborative process that includes substantial local input;
3. provide \$5 million per year for a period of three years, to fund at least five regional collaboratives that are intended to model the scope of resource integration and collaboration required by the comprehensive state plan;
4. submit annual reports on implementation of the Act to the Legislature and Governor, including a final evaluation report to be filed in July, 2001.

The Act did not provide resources for the four agencies to fund the collaboratives or carry out the other required activities.

During fiscal year 1997-98, the four agencies:

1. developed and signed a memorandum of understanding which commits not only to the collaborative activities required by the Act, but also to a set of principles for their collaboration and to continued

commitment to those principles beyond the three-year term of the Act's requirements;

2. agreed to an inclusive state and local process and timeline for development of the comprehensive statewide workforce preparation and economic development plan; and
3. identified \$5 million in existing resources to support the first-year funding of the regional collaboratives and released a Request for Proposal (RFP) to fund those collaboratives for 1998-99.

The California Community Colleges' contribution to the 1998-99 funding for the collaboratives includes \$500,000 of one-time, unallocated state administration funds from its recent years' Job Training Partnership Act (JTPA) 8% interagency agreements with the Employment Development Department (EDD) and \$500,000 from the 1998-99 General Fund budget appropriation for its Economic Development program. Neither of those sources, however, is available for funding the collaboratives in the required second and third years. The JTPA contribution for 1998-99 exhausted all "excess" administration funds that had been accumulated from the 1995-1998 interagency agreements, and the 1998-99 JTPA agreement will contain only the minimum amount of state operations resources required to administer the agreement itself.

Furthermore, the state-level workload created by the four agencies' commitments to joint activities related to the purposes of the Act cannot be sustained by existing Chancellor's Office staff.

STATE LEVEL CONSIDERATIONS

The Regional Workforce Preparation and Economic Development Act (Chapter 6 of AB 1542, 1997), herein after referred to as the Act, declared the Legislature's intention that: "California must have a world class system of education and training linked to economic development in order to meet the demands of global economic competition." To that end, the Chancellor's Office, along with the Health and Welfare, the Regional Workforce Preparation & Economic Development Act (Chapter 6, AB 1542, 1997) and Trade and Commerce agencies and Department of Education, were directed to accomplish the following :

1. signing of a Memorandum of Understanding (MOU) by the four state partner agencies that commits them to a method and timeline for carrying out the other provisions of the Act;
2. selection, funding, and monitoring of at least five Regional Collaboratives that exemplify the purposes of the Act, and the joint management of the Regional Collaborative project; and

3. development of an Integrated State Workforce Development and Economic Development Plan over a period of two years.

In addition, the Act specifies detailed activities required of the partner agencies to accomplish each of these major actions, and it also requires annual progress reports to the Legislature and Governor plus a final report on July 1, 2001. Finally, the Act clearly implies and the MOU states that the agencies will assume responsibility in 2000-2001, and subsequent years for implementing the comprehensive state plan.

The work is to be done collaboratively by staffs of the four state agency partners. During FY 1997-98, the Chancellors Offices share of this work has been done by staff assigned from other programs and functions on an overload basis. The workload will increase significantly during FY 1998-99, due to the required monitoring and evaluation of the Regional Collaboratives project, the developmental work on the state plan and the required reports to the Board and the Legislature. The work that has been accomplished to date has been at the expense of other equally important programs. The increased workload in 1998-99 will no doubt require that additional staff be assigned overload, with increasing risk to those other programs and functions. Therefore, this BCP requests that State Operation funds be provided for 1999-2000 and 2000-2001, to address the personnel overload issue and to provide resources for multiple small contracts that will be required for the state plan development. In addition, provide \$1 million each year in local assistance funds for FYs 1999-2000 and 2000-2001, to support CÖCCC's contribution to the \$5 million per year required by the Act to fund Regional Collaboratives.

JUSTIFICATION

The Act mandates that the four agency partners provide \$5 million per year for three years (1998-99, 1999-2000 and 2000-2001) for the support of at least five regional collaboratives that can exemplify the concepts of integrated planning and resource allocation that are central to the Act. For 1998-99, the Health and Welfare Agency is providing \$2.5 million from two fund sources (one administered by the Department of Social Services (DSS) and one by the Employment Development Department (EDD). The California Department of Education (CDE) is providing \$1 million from the federal Improving America's School Act and the Trade and Commerce Agency has urged the county recipients of Economic Development Investment funds to use those funds for this purpose (estimated at approximately \$500,000). The Chancellor's Office is utilizing \$500,000 of JTPA funds (EDD interagency agreement funds originally intended for state operations) and \$500,000 of its 1998-99 General Fund appropriation for the system's Economic Development program. The JTPA funds are one-time "excess" funds and must be used in FY 1998-99. No funds are available from JTPA for the other two years. The Economic Development funds

are available also as a one-year exception to the rule. That is, the funding level for one of the Economic Development Programs' initiatives that had purposes similar to the Act, transferred \$500,000 for this purpose. That was a one-time action due to the urgency of the Act's mandate and new funds are needed for 1999-2000 and 2000-2001.

PUENTE PROGRAM

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$3,366,250</u>
Total 1999-2000 Funding Request	<u>\$3,366,250</u>

*The "Fund for Student Success" specifically provides at least \$944,000 for support of this program.

BACKGROUND/HISTORY

Puente was launched in 1981 as a pilot program at Chabot College in an effort to address the low transfer rate of Mexican American and Latino community college students. However, the program serves all students in participating community colleges. Puente integrates writing instruction, academic counseling, and mentoring into a one-year academic and community leadership program.

In 1985, the University of California and the California Community Colleges assumed co-sponsorship of the project, with the University of California housing Puente's statewide administration and acting as fiduciary agent. Local colleges contributed instructional and counseling staff. The project has since expanded to 40 programs in 38 colleges statewide.

Puente's success has been recognized nationally. The community college program was recently named as one of 25 finalists for the prestigious Innovations in American Government Award funded by the Ford Foundation and administered by the John F. Kennedy School of Government at Harvard University. The 25 finalists were selected from a field of over 1,400 applicants to the Innovations in American Government Awards Program. Finalists are selected for "exceptional program creativity, quality, and accomplishment."

All 18 pilot high schools completed the four-year pilot, and demand for expansion is high. Graduates of High School Puente are well prepared for college. Last year, Puente high school students enrolled in UC and CSU at double the rate of other students in these schools. Approximately 21 percent of Puente students enrolled in the California State University, compared with 9 percent of all students at Puente schools; 9 percent of Puente students enrolled in the University of California compared with 5 percent of all students. Forty percent of Puente high school graduates are attending a California community college and are well prepared for college level work. Puente is currently seeking funding through the University of California budget for support to provide infrastructure funding for its high school program.

STATE LEVEL CONSIDERATIONS

A number of state policy initiatives support the need for an expanded Puente program. First is the series of policy changes eliminating affirmative action as a tool for college admissions decisions, including (1) Governor Wilson's 1995 Executive Order W 124-95, eliminating preferences in hiring and college admission; (2) the passage of the University of California Regents' SP-1 which eliminated the use of ethnicity in UC's admissions process; and (3) the passage of Proposition 209 which eliminated preferences in college admissions decisions. These policy changes compel students to be more competitive at the four-year college level, thus requiring increased resources to programs like Puente which (1) develop students' academic skills; (2) provide academic counseling services; and (3) provide volunteer mentoring services.

In 1997, the California Community Colleges and the University of California established a Memo of Understanding (MOU) to maintain student diversity on campus and increase the number of underrepresented students who transfer to four-year colleges and universities. The MOU established an intersegmental goal of increasing the CCC transfer rate to UC by 33 percent and specifically called for an expansion of the Puente Project to help meet that goal. Similarly, the Outreach Task Force of the University of California called on each outreach program, including Puente, to double the number of students who are eligible for the University and to increase the number who are competitively eligible by 50 percent by the year 2002.

The State, the California Community Colleges, and the University of California are investing heavily in programs which have a proven record of success to expand their capacity to meet the challenges of achieving diversity within higher education during a post-affirmative action era.

JUSTIFICATION

This BCP requests a total augmentation of \$3,366,250. Of this amount, \$2,531,250 will be appropriated directly to local colleges to support program implementation and expansion at their sites. This funding will be complemented by the training and administrative planning services which Puente provides at no cost to districts. Taken as a package, the BCP will provide the integrated, comprehensive student and staff development services which are required to meet the challenge of increasing the number of educationally underserved students attending four-year institutions.

Puente students succeed for the following reasons: (1) instructors and counselors are well trained in Puente methods; (2) instructors and counselors work as a team; (3) counselors provide students with sustained academic counseling which enables them to meet their academic goals with minimal "sidetracking"

into areas which do not lead them toward a degree; (4) students are provided with volunteer mentors who give them valuable information about career requirements, thus reducing their time to a degree. This comprehensive approach results in significant benefits.

The goal of this BCP is to enable Puente to increase the number of educationally underserved students who transfer to four-year colleges and universities and thus meet the recommendations of the California Community Colleges and the University of California. Puente will meet this goal through the following objectives:

- #1 - **Expand the number of Puente programs** from 40 to 75, thus increasing the number of students directly served from 4,800 to 9,000 (120 new and continuing students per program). Thirty-eight colleges currently offer 40 Puente programs serving 4,800 students directly and 15,680 indirectly annually. Puente proposes to expand this number to 75 programs serving 9,000 students directly and 30,360 indirectly annually.
- #2 - **Provide matching funds** for all Puente community colleges in order to increase ownership and accountability as they meet the goals of expansion. Previously, no funds have been provided for this purpose.

This BCP would provide matching funds (50%) to colleges to support the establishment or expansion of Puente programs at their campuses. Providing matching funds will provide the following benefits:

- ensure a stable funding source for local colleges;
 - enable colleges with successful programs to expand services to additional students;
 - enable colleges which do not have local resources to implement the program.
- #3 - **Create an Intersegmental CEO Advisory Group** comprised of community college presidents, high school district administrators, and university administrators, to facilitate the progress of Puente students through all three systems.

The Intersegmental CEO Advisory Group will enable Puente to connect its networks – community college and public school CEO's, community organizations, UC and CSU administrators and policymakers – to ensure that all eligible students have the opportunity to participate fully in intersegmental initiatives. The Advisory Group will also meet the requests of college CEO's for more coordination with feeder high schools and with four-year transfer institutions.

In addition, Puente staff support is required to coordinate the statewide CEO group which will be comprised of representatives from K-12, the Community Colleges, and the University of California. Staff will also coordinate regional partnership activities between local schools, community colleges, and four-year institutions and oversee implementation of specific partnership activities.

- #4 - Meet the demand to train non-Puente teachers and counselors** in community colleges with Puente programs by expanding Puente's training programs to impact an additional 30,360 students each year. (Instructional impact = 15,360 students annually; counseling impact = 15,000 students annually).

Teachers. By extending its unique community college training to non-Puente teachers at selected participating community colleges, Puente will expand the cadre of potential Puente teachers who are well-prepared to teach academically underserved students. The ripple effect in English departments will be considerable as participating teachers throughout the state learn new and successful methods for working with increasing numbers of non-traditional students insufficiently prepared for college work.

Although community colleges already offer their faculties an array of one-time flex-day in-service opportunities, the sessions are too brief to transform classroom practice for underserved, non-traditional students. Puente's series of workshops are conducted in five sessions over an entire semester. This allows for deeper involvement with the material and a greater likelihood of changes in classroom practice because instructors are required to actually practice the new methods in their classrooms during the workshop series.

Specifically, 60 non-Puente instructors will be trained each year in the methodology of Puente's accelerated writing and reading curriculum which integrates students' culture into the freshman composition curriculum. Annual impact: 15,360 students per year (60 instructors x 256 students per year).

Counselors. Puente has developed an innovative academic guidance program for grades 9-14 that is designed to retain and transfer students. This program facilitates the educational progress of underserved students through three systems—high schools, community colleges, and universities.

Puente will train non-Puente community college counselors from participating colleges in its successful methods for: (1) retaining students and ensuring that they meet transfer requirements; and (2) creating college/community mentoring partnerships. Annual impact: 15,000 students per year (30 counselors x 500 students each).

<u>Program Costs to Serve 120 Students:</u>	<u>FTE</u>	<u>Costs</u>
Counselor Salaries/Benefits	.5	\$ 33,750
Teacher Salary/Benefits	.2	13,500
Clerical Salary/Benefits	.5	13,500
S&E (includes student activities		<u>6,750</u>
Total		\$ 67,500
 Costs for 75 Local Programs (75 x \$67,500)		 \$ 5,062,500
 State's Share for Local Programs (50%)		 \$ 2,531,250
Evaluation, Training & Admin. Support for Program Expansion		700,000
CEO Advisory Group		45,000
Training Non-Puente Teachers & Counselors		<u>90,000</u>
Total BCP Request		\$3,366,250

MESA PROGRAM EXPANSION

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$1,470,000</u>
Total 1999-2000 Funding Request	<u>\$1,470,000</u>

*The "Fund for Student Success" provides for up to \$489,000 to support this program.

BACKGROUND/HISTORY

MESA (Mathematics Engineering Sciences Achievement California Community College Program) MESA/CCCP was designed to improve education and training of students underrepresented in math- and science-based fields. The California State Legislature also took this position, and supported MESA through a series of legislative actions designed to provide financial support. Ten California community colleges currently have programs; dozens more are interested in starting programs to review a chronology highlighting legislative developments regarding MESA programs.

MESA CCCP program expansion is consistent with Senate Bill 121 (Hart). Enacted in fall 1991, Senate Bill 121 established that a strong transfer function is the responsibility of the CCC, UC and CSU. The bill also emphasized the importance of targeting efforts designed to improve the transfer of students from underrepresented or disadvantaged groups. Expansion of MESA CCCP is consistent with the legislative intent of SB 121, because the primary objective of all MESA programs requires targeting of educationally disadvantaged students.

MESA poses a rigorous set of academic standards and challenges that students must meet. In the process, students gain confidence and develop leadership skills. For many students, MESA provides an opportunity to remove "low achiever" label and to begin to seriously pursue a career in the high-tech arena. Families of MESA CCCP participants benefit because the program often sets off a chain reaction of achievement by inspiring younger siblings, other relatives and even neighbors to aspire to higher education. High-tech firms stand to benefit greatly from MESA CCCP.

Many California institutions of higher learning have adopted MESA's program components and faculty training workshops to attain student success not only in engineering but also in other academic areas, from business to science. This model has been replicated at educational institutions at all levels in other states. MESA students and instructors from K-12 to all levels of postsecondary education, hold a wealth of information on what is required to successfully develop a comprehensive enrichment program in math and science.

No other math/science-based programs in California have produced the kind of results and success rates seen with MESA participants. In fact, the MESA model is nationally recognized and has been replicated in several states with additional states actively investigating federal, state, local and private resources for supplemental dollars to establish MESA centers. MESA CCCP now serves students who represent educationally and economically disadvantaged backgrounds. Race and ethnicity factors are no longer considered in selecting students to participate in the program.

STATE LEVEL CONSIDERATIONS

Expansion of MESA CCCP is consistent with policies of the CCC, CSU and UC governing boards and standard practices. Examples of these include:

1. In November of 1991, the Board of Governors of the California Community Colleges received a report, *Transfer: A Plan for the Future*, to expand transfer and articulation efforts. Seven key elements were identified: (1) strengthening the academic preparation of students; (2) strengthening the transfer curriculum; (3) improving academic advising; (4) improving articulation and expanding intersegmental transfer programs; (5) increasing transfer among underrepresented students; (6) developing information and accountability processes for transfer; and (7) increasing opportunities for transfer to independent colleges and universities. MESA program expansion would clearly support all elements listed in this report, in large part because of continuous efforts by MESA staff to work with faculty and staff at four-year campuses to update existing agreements and develop new agreements.
2. In March 1991, The Board of Governors formally adopted the IGETC (Intersegmental General Education Transfer Curriculum). Additionally, a MOU (Memorandum of Understanding) was achieved between UC and the community colleges in November 1997. The MOU establishes that the two segments "... are prepared to work together to reinvigorate and to strengthen transfer student success across the two systems, and to continue to provide access and educational opportunities to a diverse student body." These efforts support policies adopted by the Board of Governors.
3. At the CSU, official systemwide policy assigns high priority to community college transfers for admission, per the provisions in SB 121. Nearly 76 percent of all community college transfers are enrolled at CSU. CSU admission is guided by the *CSU Enrollment Management Policy and Practices* document. This document stipulates that the highest priority for new students admitted to the CSU is given to California community college transfers.

4. The CSU recently published a document, titled *Cornerstones*, that serves as a long-term strategic planning guide for the system. A series of principles with recommendations were developed, some of which refer to community college transfer. Principle 5 reaffirms CSU's commitment to boost undergraduate enrollment through increased outreach and retention, and to provide students with a variety of pathways that may reduce the time needed to complete degrees. Recommendations in support of this Principle include: (1) a renewed commitment to strengthen significantly collaborative relationships between CSU and community colleges; (2) a commitment to expand programs of mentoring, course and program articulation, and adequate counseling and assessment; and (3) a commitment to review the current pathways to degrees (with a special focus on developing more joint and shared degree programs, and a review of unnecessary obstacles to timely completion of degrees). Expanding MESA CCCP would significantly increase the number of students transferring to CSU, which is clearly an important element of CSU's long-term strategic plan.
5. In 1995, the UC Board of Regents passed Resolution SP-1, a policy eliminating consideration of race, ethnicity and gender in admissions. Recognizing the potential impact of SP-1 on diversity in future student enrollment, the Regents established the Outreach Task Force. The Task Force was charged with identifying ways in which outreach -- that is, programs designed to help make prospective students aware of, and prepared for, the educational opportunities of the University -- could be employed to assure that the UC remains accessible to students of diverse backgrounds. The charge of the Task Force as specified in SP-1 was to develop proposals with new ideas and requests for increased funding that were designed to increase the eligibility rates of those who are disadvantaged economically or in terms of their social environment. An expansion of the MESA CCCP as outlined in this BCP directly addresses the mission of the Task Force.
6. The UC Outreach Task Force began its deliberations in February 1996, and in July 1997, the Regents approved the Task Force's proposed goals and strategies for UC outreach. Among the goals is the creation of greater opportunities for educationally disadvantaged students to achieve UC eligibility and to then enroll in the University. As a public educational institution, it is the mission of UC to integrate into its student body members of California's diverse population. At the same time, UC requires high academic achievement on the part of entering students. Attaining these two objectives requires that high-quality academic preparation programs be broadly available and accessible to prospective students throughout California. MESA CCCP is an example of a rigorous academic preparation program that would fulfill both objectives.

7. Additionally, in *The Master Plan for Higher Education*, transfer is identified as a priority for California's colleges and universities. Beginning in 1985, the higher education community undertook a number of initiatives to strengthen the transfer process. MESA CCCP program expansion is an effective approach for achieving the goals outlined in the Master Plan document.

JUSTIFICATION

Severe under-representation of educationally disadvantaged students in math, science, computer science and engineering programs is a public policy issue deserving of a comprehensive effort to solve the problem. The limited number of programs within the community college system equipped to effectively address the problem further exacerbates this untenable situation. While expansion of MESA CCCP alone could not solve the entire problem, it is an effective option to achieve desired results in a relatively short period of time. We know this to be true based on student outcome data, as follows:

Aggregate data for the years 1994-95/1995-96/1996-97

- 90 percent of MESA CCCP students transferring to four-year universities enrolled or majored in the fields of math, science and engineering.
- At community colleges with CCCP centers, 34 percent of the disadvantaged students transferring to UC systemwide (all majors) are MESA participants.
- At community colleges with CCCP centers, the average annual increase in the number of all educationally disadvantaged students who transfer is 49 percent.
- At community colleges with CCCP centers, the number of MESA participants transferring to four-year colleges and universities has increased each year, on average, by 21 percent.

With the expansion called for in this BCP, roughly 1,160 MESA CCCP students would transfer to four-year colleges and universities. Approximately 90 percent or 1,044 of those students would transfer as math and science-based majors.

The net effect is that a \$1.47 million investment by the state is more than doubled with MESA CCCP centers. This proposal offers genuine hope that future graduating classes from four-year colleges and universities will provide the math, science, computer science and engineering professionals needed to meet the demand for highly skilled workers.

TELECOMMUNICATIONS AND TECHNOLOGY (TTIP)

Base Funding Level	\$28,000,000
1999-2000 Augmentation Request	<u>\$21,000,000</u>
Total 1999-2000 Funding Request	\$49,000,000

This is a request to augment the California Community Colleges' Telecommunications and Technology Infrastructure Program (TTIP) from \$28 million to \$49 million. The expansion of the TTIP will address several problems that face the California Community College System in the telecommunications and technology arena.

BACKGROUND/HISTORY

The TTIP was initially funded in the 1996-97 Budget Act, with \$9.3 million and positioned the system to address the future technology needs of students, faculty, and administrators. The TTIP is divided into three components: infrastructure, applications, and technology training. It was augmented by \$8.7 million for a total of \$18 million in the 1997-98 Budget Act. In year three, 1998-99, the TTIP was augmented by \$10 million, for a total of \$28 million. The 1999-2000 request will enable the TTIP to complete year four of a five year process to grow a robust statewide educational network connecting community colleges and state university campuses.

This will be the fourth year of the TTIP and will mark a significant growth period for the program. The first three years of funding were designed to establish the program, provide a minimum level of inter-college connectivity in four areas throughout the system, facilitate technology training, and to study the feasibility of systemwide applications deployed over the network. Each area of the program has been required to grow due to changes in technology and the need to expand specific applications into the operational levels at the local colleges.

STATE LEVEL CONSIDERATIONS

Technological change demands increasingly higher skills from the labor force. Like other states, California's economy is shifting from industry to a knowledge base in which emphasis will be on communications and information processing; more on services and less on manufacturing. Most of the new jobs created during the next decade will require some post-secondary education. Community colleges train for virtually all of the largest growing job categories in

California. Moreover, technological change means more job and career changes by workers and an increased need for occupational retraining and upgrading; functions performed by community colleges.

Federal efforts at deregulation, decentralization and less proscriptive policies will continue to put more responsibility on state and local authorities. This will particularly impact workforce preparation where California Community Colleges are active partners in efforts to coordinate the state's existing programs and to make them more responsive to structural changes in the work place and more accessible to all those who need the training.

JUSTIFICATION

The California Community Colleges are faced with two challenges as it prepares to address the needs of the state in the next ten years: an increasing dependence of society on telecommunications and technology and increasing numbers of students coming to its doors. It will need to leverage its resources and knowledge as a system in order to meet these challenges. The TTIP allows the California community colleges to participate in "educational commerce" within its system and between it and the public and private university systems of the state.

According to Chancellor's Office statistics, the California Community College System is the largest system of higher education in the world. There are 1.34 million students and over 70,000 employees in the 106 California community colleges. This represents 10 percent of all college students in the nation and 27 percent of all community college students. The colleges offer instruction in four types of courses: credit transfer, credit, non-credit, and community/business services.

The system is growing. In a 1992 report, the California Department of Finance predicted 400,000 new students will be in the California Community College system by the year 2005. The report stated that this will require 8 new colleges and 13 new satellite centers and more than \$2 billion in new capital needs. This BCP is needed for the California community colleges to continue to fulfill its many goals and expectations.

A proposed augmentations of \$21 million is requested for 1999-2000. This would increase the base amount for the TTIP to \$49 million. A summary of the proposed augmentations is listed in the following table.

1999-2000 TTIP Augmentation Summary

Activity	Funding Amount
4CNet Backbone Expansion	\$4 million
Distance Education Expansion	\$2 million
Electronic Data Interchange (<i>Electronic Transcripts</i>)	\$5 million
Expand Video Conferencing Capability	\$1 million
Common Electronic California Community College Application	\$2 million
Local Telecommunications and Technology Planning	\$3 million
Local Technology Priorities	\$4 million
Total	\$21 million

ARCHITECTURAL BARRIER REMOVAL PROJECTS

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$20,000,000</u>
Total 1999-2000 Funding Request	<u>\$20,000,000</u>

**Districts fund these needs as they can from their limited operating budgets.*

Create a statewide program to provide for the access of the physically handicapped.

The program will focus on providing basic access to all students and faculty at all campuses. Walkways, door entries, ramping, signage, etc. will all be addressed campus-wide to ensure all students will have equal access to all forms of instruction and services offered in the community college system.

The program will distribute funding on a project by project basis prioritized by severity of the accessibility problem. As a condition of funding, districts are to provide a proportional matching amount.

The criteria for funding basic access Architectural Barrier Removal (ABR) projects is based upon the following priorities:

1. projects which address situations that are the subject of pending lawsuits or Office of Civil Rights (OCR) citations;
2. projects approved by the Board of Governors in prior years but not yet funded and each district has agreed to meet the match requirement;
3. projects that are not in compliance with Federal and State law that have not been previously submitted for state review and funding.

The project approval review has been developed to mirror the procedures used for review and approval of capital outlay projects. Fiscal procedures will be similar to the practices used in the Scheduled Maintenance and Special Repairs Program.

BACKGROUND/HISTORY

The community colleges have not been able to adequately address the compliance needs associated with implementation of the American Disabilities Act (ADA) of 1990. The ADA requires the community colleges to provide basic

access to their facilities for physically handicapped individuals. New construction and renovation projects will be completed with this requirement inherent in their design.

Further urgency on this issue is created due to the U.S. Department of Education, Office of Civil Rights (OCR) requirement that the Chancellor's Office conduct annual civil rights compliance reviews. This has been a requirement since 1977; however, starting with the 1997-98 review, the Office of Civil Rights has asked that the review team do a more in-depth review of a target problem area, in this instance, architectural barriers to physically handicapped individuals. The review teams will be making citations of non-compliance which will appear in our annual report to the Office of Civil Rights. If the colleges do not have funding to correct the barrier problems, the files will remain open and could result in future punitive action. This will create an untenable situation for both the colleges and the Chancellor's Office and could result in the eventual loss of Federal funds.

Title III of the ADA obligates the colleges to remove barriers from older facilities even when no renovation or alteration is otherwise being undertaken (42 U.S.C., 12182(b)(2)(v)). The Chancellor's Office legal staff has reviewed the requirements of the ADA and acknowledge that the issue must be reviewed upon a case-by-case basis to determine which districts have fully complied with the law, if any. However, it is the legal staff's opinion that "given the high degree of state involvement in funding and supervising construction of educational facilities, it is quite possible that the state could be held directly responsible for district compliance with the physical access requirements of the ADA and/or Section 504." Staff goes on to state "it is our general conclusion that community college districts may indeed face loss of federal funding and/or other sanctions for failure to remove architectural barriers..."

STATE LEVEL CONSIDERATIONS

Prior to 1996, ABR projects were being addressed on a project by project basis utilizing capital outlay bond funds. However, the Department of Finance, Higher Education Capital Outlay Division, determined that these projects were compiled of small improvements bundled together for a large cost impact. They refused to support the use of long term debt to fund the ABR projects.

In 1996-97, the Legislature recognized the importance in addressing this issue by allocating \$20 million in one-time money for ADA projects through the budget trailer bill (AB 3488). The bill required a matching local contribution (1:1). The program was well received by the community college districts, however, the amount did not go very far in addressing the full needs of the system. With the possibility of sanctions from the Office for Civil Rights and individual lawsuits from

students and staff looming on the horizon, it is in the state's best interest to annually fund ADA projects at \$20 million in order to address the statewide need of the system as promptly as possible.

The \$20 million would be matched on a one dollar district match to three dollars state contribution. There would be no match waiver clause, it is important that the districts show their commitment to resolving these long standing problems. Since the funds would be allocated from Proposition 98 funds constitutionally allocated to the community college system, no other state agencies would be impacted by the funding of the ADA program.

JUSTIFICATION

Removing architectural barriers from existing facilities will involve extensive and costly projects that must compete equally with the \$4.2 billion pending capital outlay projects listed in the system's 5-Year Capital Outlay Plan. The backlog of projects includes not only ADA issues, but also health & safety projects, infrastructure failure repairs, equipment needed to finish previously funded projects, growth additions, remodeling and renovation of instructional space, to name just a few. Based upon this total capital outlay backlog, it would take 15 bond measure passages of an amount equal to the community college share of the Bond Act of 1996 (\$300 million) to fund all of the existing projects without addressing any new projects during that time. Historically, bond measures pass approximately every two years. It would take a minimum of 30 years to realize the funding necessary to address currently identified projects, under this scenario.

The system does not have the time to wait. Per the ADA Act, modifications to existing facilities should have been completed by January 1995. The districts are now out of compliance and will face sanctioning by the Office for Civil Rights. Alabama and Illinois have already been cited under these same provisions (Alabama Department of Education 16 EHLR 475, (January 1990) & Illinois State Board of Education, 21 IDELR 291 (December 1993)).

In 1996-97, Chapter 204/96, (AB 3488) allocated \$20 million in one-time funds for ADA projects. The funds were matched by local district contributions (1:1). However, this amount only met prior unfunded state obligations and over \$102 million ADA (Phase I, basic access) projects identified by the districts still remain unfunded. Re-instating this program at a \$20 million state funding level over the next several years is necessary to meet the system's need.

HAZARDOUS SUBSTANCES

Base Funding Level	\$ 8,000,000
1999-2000 Augmentation Request	<u>\$15,000,000</u>
Total 1999-2000 Funding Request	<u>\$23,000,000</u>

BACKGROUND/HISTORY

The environmental health hazards produced by asbestos, polychlorinated biphenyl (PCB), lead, radon, toxic chemicals, and underground tanks have become increasingly severe in recent years. It is now apparent at the Chancellor's Office that these hazards on community college campuses have reached such proportions that greater immediate attention must be given to addressing the problems. As the scientific field increases its knowledge on the impact of hazardous substances on the human body, the code requirements for the control and abatement of hazardous substances also increases. The community college system faces an ever-increasing demand to address these needs.

The problem is multifaceted in nature. First, those who work and study on our campuses are realistically threatened by the possibility of physical harm as a result of being exposed to these environmental hazards. Second, community colleges operate with fear that at any time a lawsuit may be filed against them because they have not removed the hazardous materials and, correspondingly, provided a safe place in which to work or study. Third, since community college districts are already experiencing serious difficulties in meeting their basic financial operating obligations, it is extremely unlikely that they will be able to save enough money from their normal state apportionment to remove or control these hazardous situations. This has manifested itself at the college level and as a consequence, students and staff have suffered health related problems and have sought (and won) legal remedies against the district.

Unfortunately, there are no other funding sources available from the federal, state, county, or city governments to mitigate these problems. The preliminary cost estimate for removing or containing the currently identified hazardous materials is over \$57 million. It is very likely that when the districts perform their annual review for potential hazards, the estimated cost of dealing with these materials could be significantly higher.

STATE LEVEL CONSIDERATIONS

The state has supplied funding for Hazardous Substance Abatement every year since 1985. Yet the backlog of unfunded projects continue to swell. As the scientific knowledge on the impact of various chemical and environmental elements increases, so does the challenge to insure adequate protection for student and staff. What were acceptable practices 5-10 years ago, are now considered hazardous and must be corrected or abated.

The state's partnership in funding community college facilities implies a certain amount of liability in the abatement of hazardous substances. To suspend funding the Hazardous Substance Program prior to removal or containment of all the hazards, could lead to litigation against the state and the community college system.

JUSTIFICATION

Community college districts throughout California have begun a systematic program for the removal or containment of hazardous materials from the college facilities. All such materials should be removed or contained as soon as fiscal resources and professional expertise are available. As renovation of existing buildings continues each year to keep up with changing enrollment and program needs, new disclosures of unforeseen hazardous materials are constantly being identified. Community colleges do not have sufficient funds available to meet these needs on their own.

This program would assist in the control of environmental hazards such as asbestos materials, polychlorinated biphenyl (PCB), lead, chemical removal, radon, and underground tanks and their contents, which pose an immediate danger to human health and safety at California community college facilities.

Based on the unfunded carryover project proposals submitted during the 1998-99 fiscal year (49 projects funded @ \$8 million), there are still over \$34.5 million in asbestos abatement; \$2.5 million in underground tank removal and clean up projects; \$3.5 million in PCB abatement; and \$17.4 million in chemical clean-up and storage needs that remain to be resolved. These projects involve repairing and replacing tanks and transformers and controlling asbestos, chemicals, lead, and radon at different levels of severity.

As a means of controlling the hazardous materials, the program:

- (1) Identifies the location of hazardous containing products within the buildings;
- (2) Assesses the health hazard pursuant to the latest regulations posted in the Federal Register by the Environmental Protection Agency;
- (3) Specifies the method and cost of hazard control and removal;
- (4) Plans the most cost effective alternative;
- (5) Prioritizes hazardous material abatement projects;
- (6) Begins hazardous materials abatement.

The monitoring of hazardous materials and their treatments are reported annually by the college districts. There are time limits and fines by local counties if districts fail to remove hazardous situations in a timely manner. One of the scopes of this program is to mitigate those issues before penalties are imposed.

The Legislature has provided the following funds to the community colleges for the control and/or removal of hazardous materials:

Year	Funding Level	Program
1985-86	\$ 1,000,000	(asbestos abatement)
1986-87	\$ 4,267,000	(asbestos abatement)
1987-88	\$ 2,426,000	(asbestos abatement)
1987-88	\$ 5,000,000	(underground tanks & PCBs)
1988-89	\$ 10,000,000	(asbestos abatement)
1988-89	\$ 5,000,000	(underground tanks & PCBs)
1989-90	\$ 5,000,000	(asbestos abatement)
1989-90	\$ 5,000,000	(underground tanks & PCBs)
1989-90	\$ 3,000,000	(chemical and business plans)
1990-91	\$ 5,000,000	(asbestos abatement)
1990-91	\$ 5,000,000	(underground tanks)
1990-91	\$ 3,000,000	(chemical and business plan)
1991-92	\$ 5,000,000	(underground tanks & PCBs)
1991-92	\$ 3,000,000	(chemical and business plan)
1992-93	\$ 13,000,000	(asbestos, tanks & PCB abatement)
1993-94	\$ 13,000,000	(asbestos, tanks & PCB abatement)
1994-95	\$ 13,000,000	(asbestos, tanks & PCB abatement)
1995-96	\$ 8,000,000	(asbestos, tanks & PCB abatement)
1996-97	\$ 8,000,000	(asbestos, tanks & PCB abatement)
1997-98	\$ 8,000,000	(asbestos, tanks & PCB abatement)
1998-99	\$ 8,000,000	(asbestos, tanks & PCB abatement)
1985-99	\$132,693,000	Total, All Years

Nineteen ninety-two through 1995 includes \$5 million from capital outlay bond funds. New bond act language does not include provisions for stand alone hazardous substance projects.

College districts are continually updating their 1985 surveys. The estimated remaining cost of controlling hazardous situations still exceeds \$57 million. As buildings age, renovation projects continue to uncover previously unknown hazardous substances that will need to be abated.

INNOVATIVE PROJECTS

Base Funding Level	\$ *
1999-2000 Augmentation Request	<u>\$15,000,000</u>
Total 1999-2000 Funding Request	<u>\$15,000,000</u>

** Districts fund these projects as they can from limited operating budgets.*

BACKGROUND/HISTORY

The California Community Colleges have found innovative ways to fund vitally needed facilities, equipment and technology needs during the early 1990s. However, because of the variety of factors effecting each college, many are not completely successful in obtaining private sector assistance or the local funds needed to complete their projects. This has been a time when little or no state funding was available for instructional equipment, technology or adequate space to meet the students' needs and to work with industry standard resources to prepare for California's ever-changing job market. While state funding for instructional equipment, technology and new growth space has increased over the past two years, the level for funding has neither kept pace with the demand, nor has it been adequate to fund a level to maintain pace with technology and other demands in the job market.

This proposal will provide financial assistance for the necessary technological infrastructure for collaborative ventures to encourage joint partnerships which provide reciprocal benefits to the education system and to fund innovative projects in support of local community colleges in their effort to minimize state costs by seeking joint ventures, partnerships, and other non-state funding.

STATE LEVEL CONSIDERATIONS

The lack of funding precludes the process of developing a coordinated statewide program with state determined priorities that would strengthen the community college system and greatly enforce system accountability. Ensuring fiscal resources will discourage the "end run" process, and address system and policy maker concerns that the merits of funding innovative projects are not being ignored. In order to maintain its national leadership role, the California Community College system must implement a separate funding mechanism to address legitimate proposals that have been reviewed and recommended as meeting the predetermined priorities of the Board of Governors and the Legislature. With the assistance of policy makers supporting the process of

funding projects through this new funding mechanism, the CCC system will be able to ensure that projects are funded only if they meet the criteria established and provides the necessary accountability for the results of the project.

JUSTIFICATION

It is the intent of this proposal that if sufficient one-time funds become available, up to \$15 million of those funds will be used to provide financial assistance to equip and provide for the necessary technological infrastructure for collaborative ventures for 1999/2000, additional funds may be needed in the future to meet new unmet needs. To that end, community colleges throughout the state have entered into collaborative arrangements with other educational, local/state entities and private enterprises. This proposal would encourage joint partnerships where there is reciprocal benefit to the education system. In this event, the Board of Governors, through the Consultation process, will refine the priority criteria that would address the following considerations:

- promoting efficient and innovate processes used in the educational delivery system (e.g., high technology);
- how best to utilize available and donated property and facilities from military base closures, industry and developers for underserved areas;
- limiting the amount of state funds per project to no more than \$5 million;
- projects must be able to demonstrate that this is the least state cost alternative;
- restricting projects so that the capacity/load would not exceed the level that is currently being funded by the normal capital outlay process of program space type proposed;
- ensuring all new academic programs have prior approval as well as any enhancements or alterations to existing programs;
- assuring that any new private/public contribution of building space meets the Field Act, ADA and be approved by California Community Colleges for subject program use;
- projects must have a commitment from the district to maintain the facility, program and/or funded proposal for a minimum of 10 years;
- projects need to be reviewed by the Chancellor's Office and recommended for approval by the Board of Governors;

- non-duplication of effort in contiguous community college districts, unless districts can work in a joint venture or have approval of the California Community Colleges; and
- term and commitment of the joint venture partnerships for a minimum of 5 years, which may include such items as on-going operation costs, updating technology beyond original start up and use of off-site facilities for "hands on" exposure by students.

This \$15 million proposal would be used towards addressing the need to fund innovative projects and support the local community colleges who make every effort to minimize state costs by seeking joint ventures, partnerships, and other non-state funding projects would otherwise be eligible for state funds. This process does not recognize or foster district entrepreneur efforts in saving limited state resources by utilizing joint venture funds.

This program would be implemented in accordance with established criteria set forth by the Chancellor's Office pursuant to SB 624 (Costa) and AB 465 (Rainey).

CAPITAL OUTLAY PROJECTS

Previously Funded Projects	\$127,708,000
New Start Projects	<u>\$ 42,632,000</u>
Total 1999-2000 Funding Request	\$170,340,000

BACKGROUND/HISTORY

California Community Colleges capital outlay demands far exceed the available state resources to fund them. Currently, there is a backlog of over \$1.8 billion in the Board of Governors' (Board) approved proposals and over \$5 billion of identified projects in district five-year capital outlay plans. This backlog includes projects that were submitted by the districts and approved by the Board up to five years ago. Funding inadequacies, technological advances, and changes in district and state priorities have made many of the projects on the backlog list outdated.

STATE LEVEL CONSIDERATION

After 1998-99, the existing general obligation bond funds for higher education will run out. Past bond acts have provided the community colleges with \$150 million per year for capital outlay projects. Proposition 1A was placed on the November 1998 ballot to provide \$9.2 billion for K-12 through higher education facilities projects for the next four years. Of this amount, higher education would get \$2.5 billion. This is less than the \$3 billion that higher education supporters had been seeking, which would have provided \$250 million per segment per year for four years. Assuming the traditional 3-way split, the current proposal would provide to community colleges approximately \$186 million per year for 4 years, and an additional \$55 million during the last 2 years of the bond for new campuses, small campuses and off-campus centers.

JUSTIFICATION

At its November 1998 meeting the Board will adopt an amended capital outlay plan totaling 101 projects and \$170.3 million for the California Community Colleges to be considered as part of the 1999-2000 Governor's Budget. Included in that plan are 35 Category B2 new start and 6 Category C1 new start projects.

Last September the Board adopted a \$154 million capital outlay plan for 1999-2000. However, at that meeting several districts expressed concern that numerous worthy Category B2 new start projects were being unnecessarily delayed by not receiving funding in 1999-2000. Concerns were also expressed that Category B2 projects were being under-built. Specifically, due to limited

funds, a Category B2 new start project in the 1999-2000 Capital Outlay Plan would only receive state funds if its capacity was designed at 78 percent or less of enrollment needs at project completion.

After the September meeting and at the direction of the Board, several discussions with numerous districts and interested parties took place. These efforts resulted in the amended capital outlay plan for 1999-2000 presented to the Board in November which in addition to the September actions:

- Augments \$11.2 million for additional working drawing and/or construction funds for 3 projects
- Augments \$6.4 million for preliminary plans for 12 additional Category B2 new start projects with capacity-to-load ratios from 79 to 90 at project completion

CALIFORNIA COMMUNITY COLLEGES 1999-2000 CAPITAL OUTLAY PLAN

District/College	Project Description	99/00 Phase	Amount
Glendale CCD, Glendale CCD	Science Building Reconstruction - Health & Safety	c	4,142,000
Coast CCD, Orange Coast College	Seismic Retrofit - Library	pw	300,000
Compton CCD, Compton College	Demolition, Phase 2 -Health & Safety	pw	1,359,000
Kern CCD, Bakersfield College	Seismic Retrofit - Student Services/Library	pw	1,659,000
Los Angeles CCD, Los Angeles Southwest College	Seismic Replacement - Student Services	pw	578,000
Marin CCD, College of Marin	Seismic Retrofit - Fine Arts	pw	663,000
San Bernardino CCD, San Bernardino Valley College	Seismic Replacement - Life Science	pw	191,000
San Bernardino CCD, San Bernardino Valley College	Seismic Replacement - Campus Center/Administration	pw	280,000
San Bernardino CCD, San Bernardino Valley College	Seismic Replacement - Learning Resource Center	pw	191,000
San Mateo County CCD, College of San Mateo	Seismic Upgrade, Phase I	pw	397,000
Category A-1 Sub-Total			\$ 9,760,000
Antelope Valley CCD, Antelope Valley College	Business/Multi-Media Center	e	1,494,000
Coast CCD, Orange Coast College	Art Center	e	2,128,000
Contra Costa CCD, Diablo Valley College	Business Language Building	e	1,146,000
Contra Costa CCD, Diablo Valley College	Library Building Addition	e	781,000
Contra Costa CCD, Los Medanos College	Vocational Technology Addition	e	287,000
Desert CCD, College of the Desert	Math/Social Science Building	e	657,000
Fremont-Newark CCD, Ohlone College	Instructional Computing Laboratory	e	3,650,000
Gavilan CCD, Gavilan College	Health Occupations Building	e	127,000
Los Rios CCD, Folsom Lake Center	Instructional Facilities, Phase 1A	e	3,274,000
Palo Verde CCD, Palo Verde College	Phase 1 Facilities	e	2,641,000
Redwoods CCD, College of the Redwoods	Library & Media Services	e	1,097,000
San Diego CCD, San Diego City College	Learning Resource Center	e	2,763,000
San Jose-Evergreen CCD, Evergreen Valley College	Biology / Nursing Addition	e	513,000
San Luis Obispo CCD, Cuesta College	Art/Music Laboratories Addition	e	624,000
San Luis Obispo CCD, Cuesta College	Learning Skills Center/Classroom Building	e	3,513,000
Sequoias CCD, College of the Sequoias	Music Building	e	404,000
State Center CCD, Madera Center	On-site Development and Phase 1 Facilities	e	881,000
West Valley-Mission CCD, Mission College	Learning Resource Center	e	545,000
Yosemite CCD, Modesto Junior College	Sierra Instructional Hall	e	2,571,000
Category A-2 Projects Sub-Total			\$ 29,096,000
Cabrillo CCD, Cabrillo College	Horticulture Facilities Replacement	pw	131,000
Chabot-Las Positas CCD, Chabot College	Ceramics/Sculpture Building Reconstruction/Addition	pw	848,000
Feather River CCD, Feather River College	Physical Plant Foundation Reconstruction	pw	310,000
Kern CCD, Bakersfield College	Concrete Damage Restoration, Phase I	pw	685,000
Los Angeles CCD, Los Angeles Harbor College	Fire Alarm Correction	pw	332,000
Peralta CCD, Laney College	Concrete Deck/Protective Membrane Replacement	pw	600,000
Category A-3 Projects Sub-Total			\$ 2,906,000
Citrus CCD, Citrus College	Library Addition/Reconstruction	c	7,069,000
Sonoma County JCD, Criminal Justice Training Center	Facilities, Phase I	c	10,818,000
Chaffey CCD, Chaffey College	Child Development Center	wc	4,169,000
Contra Costa CCD, Contra Costa College	Child Development Center	wc	2,402,000
Contra Costa CCD, Los Medanos College	Child Development Center	wc	1,631,000
Foothill-DeAnza CCD, DeAnza College	Child Development Center	wc	3,765,000
Fremont-Newark CCD, Ohlone College	Child Development Center	wc	3,766,000
Gavilan Joint CCD, Gavilan College	Child Development Center	wc	2,240,000
Grossmont-Cuyamaca CCD, Cuyamaca College	Child Development Center	wc	2,738,000
Kern CCD, Bakersfield College	Child Development Center	wc	3,289,000
Lassen CCD, Lassen College	Child Development Center (Health & Safety)	wc	1,986,000
Los Angeles CCD, West Los Angeles College	Child Development Center	wc	3,765,000
Los Rios CCD, American River College	Child Development Center	wc	4,051,000
Los Rios CCD, Consumes River College	Child Development Center	wc	3,764,000
Marin CCD, Marin Community College	Child Development Center	wc	2,761,000
Merced CCD, Merced College	Child Development Center	wc	3,826,000
Mira Costa CCD, Mira Costa College	Child Development Center	wc	2,709,000
Mt. San Jacinto CCD, Menifee Valley Center	Child Development Center	wc	3,706,000
Mt. San Jacinto CCD, Mt. Jacinto College	Child Development Center	wc	2,659,000
Redwoods CCD, College of the Redwoods	Child Development Center	wc	4,561,000
San Bernardino CCD, San Bernardino Valley College	Child Development Center	wc	2,062,000
San Luis Obispo CCD, Cuesta College	Child Development Center	wc	2,681,000
Sierra CCD, Western Nevada County Center	Child Development Center	wc	1,885,000
Victor Valley CCD, Victor Valley College	Child Development Center	wc	1,789,000
West Valley-Mission CCD, Mission College	Child Development Center	wc	1,854,000
Completion of previous projects Sub-Total			\$ 85,946,000
Category A and Previously Funded Projects Sub-Total			\$ 127,708,000

CALIFORNIA COMMUNITY COLLEGES 1999-2000 CAPITAL OUTLAY PLAN

District/College	Project Description	99/00 Phase	Amount
Antelope Valley CCD, Antelope Valley College	Technology Building	pw	383,000
Barstow CCD, Barstow College	Library/LRC	pw	509,000
Butte CCD, Butte College	Allied Health & Public Services	pw	1,254,000
Compton CCD, Compton College	Seismic Replacement/Expansion LRC	pw	735,000
Contra Costa CCD, Diablo Valley College	Life Sciences Renovation	p	368,000
Grossmont-Cuyamaca CCD, Cuyamaca College	Remodel Vocational Technology Building N	pw	68,000
Grossmont-Cuyamaca CCD, Grossmont College	LRC Addition	pw	1,029,000
Kern CCD, Cerro Coso College	Library/Media Center Addition	pw	643,000
Kern CCD, Eastern Sierra Center	Site Acquisition	a	146,000
Kern CCD, Eastern Sierra Center	Initial Buildings	pw	926,000
Kern CCD, Eastern Sierra Center	Off/On Site Development	pw	329,000
Los Angeles CCD, Los Angeles Pierce College	Remodel for Efficiency	pw	349,000
Los Angeles CCD, Los Angeles Valley College	Remodel for Efficiency	pw	207,000
Los Rios CCD, Folsom Lake Center	Instructional Facility, Phase IB	p	1,537,000
Mendocino-Lake CCD, Mendocino College	Science Building	p	194,000
Merced CCD, Merced College	Interdisciplinary Learning Center	p	219,000
Mira Costa CCD, Mira Costa College	Learning & Information Hub	pw	910,000
Monterey Peninsula CCD, Monterey Peninsula College	Library and Technology Center	pw	1,368,000
Palomar CCD, Palomar College	High Technology Laboratory/Classroom Bldg.	p	715,000
Rancho Santiago CCD, Santiago Canyon	Learning Resource Center	p	278,000
Riverside CCD, Riverside College	Learning Resource Center	p	1,094,000
San Joaquin Delta CCD, San Joaquin Delta College	Electron Microscopy Technology Center	pw	504,000
San Jose-Evergreen CCD, San Jose City College	Library/Learning Resource Center	pw	902,000
San Luis Obispo County CCD, Cuesta College	Library Addition/Renovation	p	472,000
San Mateo County CCD, Skyline College	Center for Advanced Learning	pw	1,595,000
Santa Monica CCD, Santa Monica College	LRC Expansion/Seismic Retrofit	c	14,356,000
Sequoias CCD, College of the Sequoias	Multi-Media Learning Resource Center	p	333,000
Siskiyou Joint CCD, College of the Siskiyou	District-wide Distance Learning	pw	153,000
Southwestern CCD, Southwestern College	Learning Resource Center	pw	1,743,000
State Center CCD, Madera Center	Academic Facilities, Ph. Ib	p	541,000
Ventura County CCD, Moorpark College	Learning Resources and Telecommunications Center	pw	961,000
Ventura County CCD, Ventura College	Learning Resource Center	pw	1,643,000
Victor Valley CCD, Victor Valley College	Advanced Technology Building	p	442,000
West Hills CCD, Kings County Center	Site Acquisition	a	170,000
West Hills CCD, Kings County Center	Initial Buildings	pw	913,000
West Hills CCD, Kings County Center	Off/On Site Development	pw	301,000
West Valley-Mission CCD, Mission College	Science and Technology Complex	pw	755,000
Yosemite CCD, Columbia College	Learning Resources/Media Tech. Center	pw	378,000
Yuba CCD, Woodland Center	Science Building	p	202,000
New-Start Category B-2 Sub-Total			\$ 39,625,000
Gavilan CCD, Gavilan College	Adaptive Physical Education	pw	212,000
Lake Tahoe CCD, Lake Tahoe College	Phase II Facilities, South	pw	823,000
Long Beach CCD, Long Beach City College-PC	Child Development Center	pw	240,000
San Diego CCD, San Diego City College	Indoor Gym/Physical Education	pw	952,000
San Mateo County CCD, Canada College	Child Development Center	pw	238,000
Santa Clarita CCD, College of Canyons	Performing Arts Center	pw	542,000
New-Start Category C-1 Sub-Total			\$ 3,007,000
Category B & C New Start Projects Sub-Total			\$ 42,632,000
TOTAL 1999-2000 REQUEST			\$ 170,340,000

California Community Colleges Education Mission

The California Community College System is the largest system of higher education in the world. There are 1.48 million students and over 70,000 employees in the 107 California community colleges. This represents 10 percent of all college students in the nation and 27 percent of all community college students. The colleges offer instruction in four types of courses: credit transfer, credit, noncredit, and community/business services. Students attending the California community colleges train for job entry, career changes, licensing, and updating skills. Over one million students annually take one or more community college vocational education classes.

By law, the California Community Colleges are required to admit any California resident and may admit anyone who is over 18 years of age and who is capable of profiting from the instruction offered. The colleges may also admit any nonresident possessing a high school diploma or the equivalent thereof.

Primary missions of the colleges are to offer academic and vocational education at the lower division level for both younger and older students, including those persons returning to school. Another primary mission is to advance California's economic growth and global competitiveness through education, training, and services that contribute to continuous workforce improvement. Essential and important functions of the colleges include: remedial instruction for those in need of it and in conjunction with the school districts, instruction in English as a second language, adult noncredit instruction, and support services which help students succeed at the postsecondary level. Community services is designated as an authorized function. To the extent funding is provided, the colleges may conduct institutional research concerning student learning and retention as is needed to facilitate their educational missions.

The Board of Governors is required to provide leadership and direction in the continuing development of the California Community Colleges as an integral and effective element in the structure of public higher education in the state.

Chancellor's Office State Operations

(In Thousands)

Chancellor's Office State Operations	1990-91	1996-97	1997-98	1998-99	1999-2000
Personnel Services	\$11,272	\$10,799	\$11,429	\$13,338	\$14,598
Operations Expenses & Equip.	9,750	3,767	4,607	5,504	6,518
Total	21,022	14,566	16,036	18,842	21,116
Authorized Positions	255	194.7	190.2	227.2	251.7

The 1990 Budget Act contained \$21 million for state operations and 243 authorized positions for the Chancellor's Office. As a result of California's recession in the early 1990's, state General Fund support for the Chancellor's Office in the 1996 Budget Act had been reduced to approximately \$14.5 million and 195 authorized positions. Over the past two years, the state General Fund has recovered from the recession and just over \$19 million is appropriated in the 1998 Budget Act to support the Chancellor's Office.

The Chancellor is requesting an augmentation of \$2.2 million in the 1999-2000 budget for support staff. If successfully supported by the Department of Finance, the Governor, and the Legislature, state operations funding to support the Chancellor's Office would be restored to the 1990 level. The restoration of the Chancellor's Office support staff is needed to support recent budget and legislative program requirements under Welfare Reform, Economic Development, capital outlay facilities, the Telecommunications and Technology Infrastructure program, and now the Partnership for Excellence program.

The recent budget augmentations and proposed state operations budget are essential to providing districts with program assistance and technical expertise to implement new programs that support the mission of the community colleges. As an example, the facilities staff will be able to spend more time on capital project site visits to evaluate the merits of proposed projects and assist districts in identifying the appropriate funding source (scheduled maintenance, General Obligation bonds, Petroleum Violation Escrow Account, Innovative Project funding). The Facilities staff will also hold two workshops for districts to better understand the funding of capital projects and the requirements under the State Administrative Manual (SAM) process. A \$200,000 budget augmentation and three new positions in the 1998 Budget Act, makes possible this type of expertise to the districts.

Finally, as a result of a \$200,000 budget augmentation in this year's budget, the Chancellor's Office will be moving from their current 1930's facility into a new building scheduled to open next May. The new surroundings will boost the morale of the Chancellor's dedicated support staff, allow the Board of Governors their own board meeting facility and provide a place that is representative of an institution of higher education.

CALIFORNIA COMMUNITY COLLEGES 1998-99 BUDGET OVERVIEW

Assembly Bill 1656 passed the Senate (34-4) on August 11 1998, with the Assembly (66-13) following suit the next day. In addition, the legislature sent to the Governor, Senate Bill 1564, the budget trailer bill implementing the \$100 million Partnership for Excellence proposal and funding \$75.1 million for scheduled maintenance, instructional equipment, library materials and technology. The Conference Committee report included funding based on the Board of Governor's designated budget priorities approved last November in the development of the 1998-99 community college system budget.

The table below reflects a comparison of the total state General Fund support for the Board of Governor's proposed budget, the Governor's May Revise budget, the Senate and Assembly Subcommittee actions, the Conference Committee actions, and the budget as enacted.

	Local Assistance Ongoing	Local Assistance One-Time
BOG Budget	\$472,367,000	\$146,900,000
Governor's May Revise	297,535,000	54,400,000
Senate Actions	346,339,000	54,400,000
Assembly Actions	396,574,000	75,142,000
Conf. Cmte. Actions	351,374,000	75,142,000
AB 1656 Enacted	294,334,000	75,142,000

The specific Conference Committee actions and the Governor's vetoed items are reflected in *Attachment I*.

On August 21, the Governor signed the 1998 Budget Act, a \$75.4 billion expenditure plan that assumes a \$1.3 billion reserve. The Governor also vetoed \$1.5 billion for various programs and set aside \$250 million for K-12 school accountability programs. The 1998 Budget Act provided \$294.3 million in on-going support and \$75.1 million in one-time funding for California Community Colleges; approximately \$57 million for local assistance programs was vetoed.

The 1998 Budget Act provides community colleges with 3 percent for growth, 2.26 percent for Cost-of-Living Adjustment (COLA), \$100 million for the new Partnership for Excellence program and \$75.1 million for instructional equipment, library materials, technology and scheduled maintenance. The vetoed items included \$15 million for New Faculty Needs, \$11 million for noncredit instruction, \$10 million for instructional equipment, \$10.1 million for the Disabled Student Services Program, and \$8.9 million for Equalization. In addition, the Governor provided \$204.5 million for capital outlay projects that will be subject to a \$9.2 billion General Obligation bond measure that is before the voters in November.

In the aftermath of the budget and in an attempt to recoup some of the local assistance funding that was vetoed, the Legislature sent to the Governor, Assembly Bill 2398 (Ducheny). AB 2398 included \$11 million previously vetoed in the budget for noncredit instruction and \$35 million for equalization. The significant increase from \$9 million to \$35 million for equalization reflected the Governor's staff request to provide a figure to resolve the equalization issue. This \$35 million would fund all community colleges at just above the cost of instruction, statewide average. Unfortunately, AB 2398 was vetoed not on the merits of the legislation, but on the Administrations objective for the State to maintain a 2 percent Reserve for Economic Uncertainties.

Despite the vetoes, the community colleges benefit from a third "good budget" year, receiving over \$370 million in one-time and ongoing local assistance funding. The districts also received a windfall of approximately \$47 million as a result of their zero contribution rate to the Public Employees Retirement System. In addition, the community colleges share of Proposition 98 revenues is gradually increasing (*Attachment II*) with the 1998 Budget Act providing 10.37 percent share of the Proposition 98 revenues.



CALIFORNIA COMMUNITY COLLEGES

1998-99 BUDGET

On-Going Support	BOG's Requested Budget	Governor's May Revise Budget	Conference Committee Actions	1998 Budget Act	Governor's Vetoes
Student Fees (\$12 - \$10 per unit)			-0-		
General Fund Apportionment			-0-		
Growth (4%)	\$ 129,931,000	\$95,400,000 (3%)	\$95,400,000	\$95,400,000 (3%)	
COLA (3%)	94,610,000	72,700,000 (2.22%)	74,100,000 (2.26%)	74,100,000 (2.26%)	
Equalization	8,939,000		8,939,000		\$ 8,939,000
Partnership for Excellence	100,000,000	100,000,000	100,000,000	100,000,000	
FTES Funding Incr. (Partnership for Excellence deleted)			-0-		
Telecommunications & Technology Infrastructure	31,178,000	10,000,000	10,000,000	10,000,000	
Economic Development Program	10,000,000	12,800,000	4,000,000	3,999,000	1,000
Instruc. Equipment/Library Materials and Technology	10,000,000		10,000,000		10,000,000
Scheduled Maint. & Special Repairs/Physical Facilities	11,000,000				
Disabled Student Programs & Services	13,800,000		13,800,000	3,700,000	10,100,000
Matriculation Program Augmentation (Credit)	12,000,000				
(Non-Credit)	12,100,000				
Transfer & Articulation	1,725,000	835,000	835,000	835,000	
Puente Program College and High School Expansion	1,000,000		-0-		
MESA			-0-		
EOPS			-0-		
CARE			2,000,000		2,000,000
Foster Care Education Program	2,000,000	1,900,000	1,900,000	1,900,000	
COCCC Nurse Assist. Training & Assessment Program ¹	-0-	Approved	Approved	Approved	
Worksite-Based Learning	1,800,000				
California Virtual University - Prog. Development Ctrs.	2,900,000	3,900,000	2,900,000	2,900,000	
New Faculty Needs	15,000,000		15,000,000		15,000,000
Community College Noncredit Instruction	11,000,000		11,000,000		11,000,000
Management Information System	3,384,000				
Desert CCD/Copper Mountain Campus			1,500,000	1,500,000	
Total	\$ 472,367,000	\$297,535,000	\$351,374,000	\$294,334,000	\$57,040,000

Shaded areas represent those items not in Conference Committee.

¹ Approved requested budget authorization.



CALIFORNIA COMMUNITY COLLEGES

1998-99 BUDGET

One-Time Funding	BOG's Requested Budget	Governor's May Revise Budget	Conference Committee Actions	1998 Budget Act
Instructional Equipment/Library Materials and Technology ²	\$ 30,000,000	\$36,539,000	\$75,142,000 ^{1&3}	\$75,142,000 ^{1&3}
Scheduled Maintenance & Special Repairs/Physical Facilities ²	30,000,000			
Architectural Barrier Removal/American Disability Act ²	30,000,000			
Innovation Projects	30,000,000			
Student Support Services Equipment ²	15,900,000			
Hazardous Substances ²	10,000,000			
Management Information System	1,000,000			
Property Tax Shortfall	-0-	17,903,000	-0-	
Total	\$146,900,000	\$54,442,000	\$75,142,000	\$75,142,000

Shaded areas represent those items not in Conference Committee.

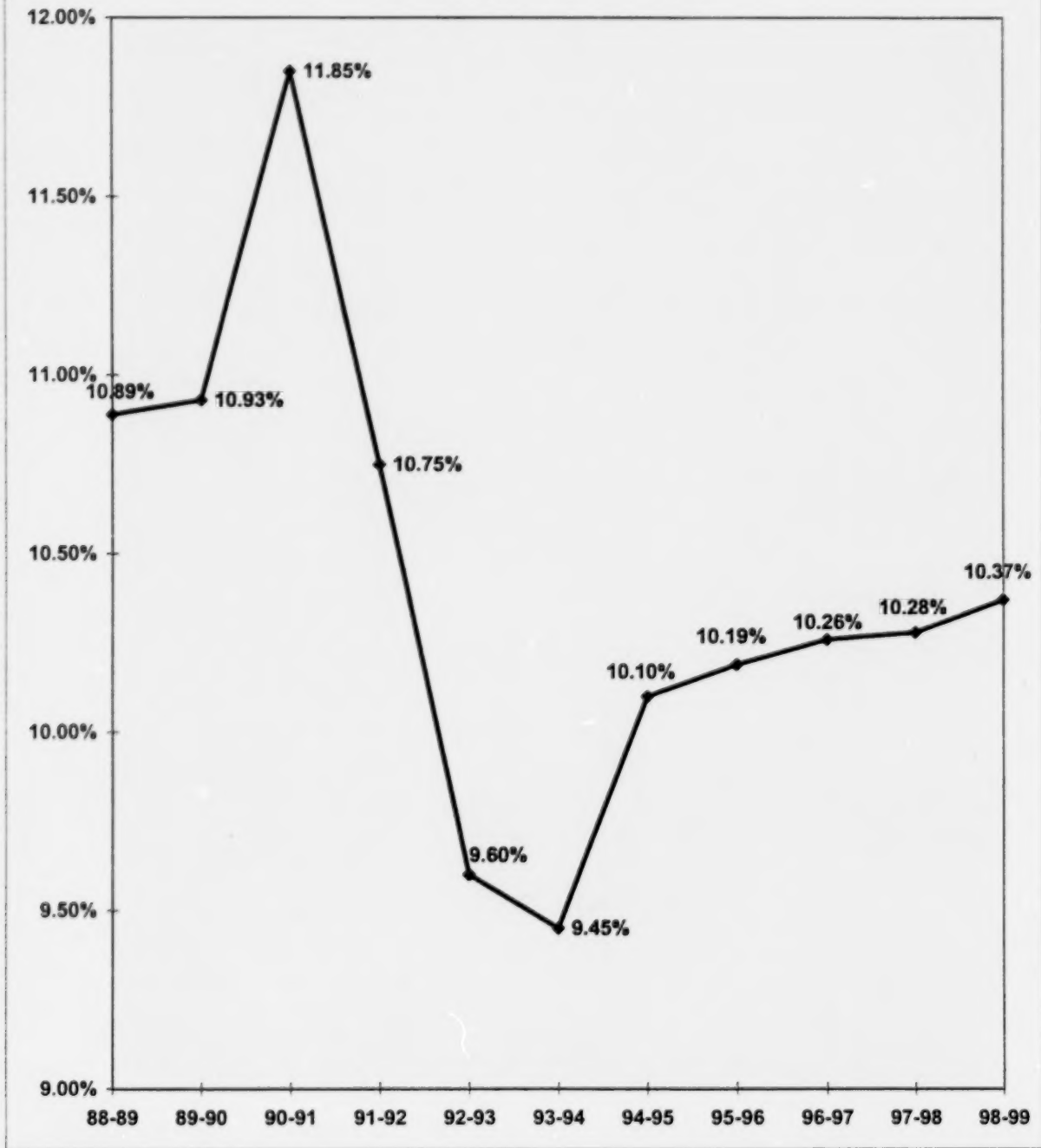
¹ Allows for "up to \$20 million" for property tax shortfall.

² Budget proposed one-time Block Grant for allowable use in these categories.

³ 50% distributed per FTES for instructional equipment/library materials and technology. Cannot be used for other one-time match requirements.
50% distributed per the Senate action requiring a district match.

ATTACHMENT II

California Community Colleges
Proposition 98 Percent Share



Source: Dept. of Finance

CALIFORNIA COMMUNITY COLLEGES 1999-2000 BUDGET OVERVIEW

The Board of Governors approved a change in the development of the system budget process to allow community colleges to play a greater role in the crafting of the system budget. The Consultation Council's Budget Task Force (CCBTF), reviewed over 30 budget concept recommendations which have been presented to the Consultation Council for their consideration and to the Board of Governors at their September board meeting. The proposed 1999-2000 community colleges budget reflects the system priorities represented in the budget concepts provided to the Chancellor's Office by more than 40 community college districts and colleges.

The proposed budget is consistent with major Board of Governor's objectives identified in "The New Basic Agenda" and the "2005 Policy Statement". The budget recommendations of the CCBTF were based on fiscal and policy priorities that are essential to improving the delivery of the quality education provided to California Community College students. These concepts were approved by the Board of Governors to move forward to the Department of Finance as Budget Change Proposals for the 1999-2000 fiscal year.

The past three fiscal years, have afforded the California community colleges over \$1 billion in additional state General Fund support for on-going Local Assistance funding. In addition, the system has received over \$250 million in the past three years from one-time funds to address instructional equipment, library materials, technology, and scheduled maintenance needs. The community college share of Proposition 98 funding has increased (*Attachment II*) from 10.26 percent in 1996 to over 10.37 percent in 1998. This increased funding has been the direct result of the quality of Budget Change Proposals (BCPs) submitted to the Department of Finance, the Governor, and the Legislature.

The 1998 Budget Act provided community colleges with \$294.3 million for on-going local assistance and \$75.1 million for one-time funding of instructional equipment and scheduled maintenance programs. Of the \$294.3 million for on-going local assistance funding, an estimated \$60 million of that amount was above the Proposition 98 minimum funding guarantee. An additional \$46 million for equalization (\$35 million) and noncredit apportionment rate (\$11 million) was contained in Assembly Bill 2398. However, that was vetoed due to the lack of General Fund resources to support this budget augmentation request.

The California Community College's local assistance revenues from the state General Fund, local revenues, and student fees is approximately \$3.8 billion. The 1999-2000 budget (*Attachment III* shows budget augmentation requests. *Attachment IV* shows a comparison to the baseline budget) proposes over \$536.6 million in on-going Local Assistance funding, and \$50 million for one-time purposes. The 1999-2000 proposals represent an increase of approximately 14 percent above the current year budget. Anticipating the potential General Fund growth and comparable growth in Proposition

98 funding, the \$536.6 million for community college local assistance programs may be over \$200 million above the Proposition 98 minimum funding guarantee. Any funding over the minimum funding guarantee for K-14 will compete with all General Fund budget priorities. The budget assumes the state economy will continue to perform well, that community colleges will receive a fair share of Proposition 98 funding, and that the new Administration and newly elected legislators will continue to support the Board of Governor's, community college budget priorities.

Finally, the Chancellor's Office is grateful to the individuals who participated on this year's Consultation Council's Budget Task Force. Their dedication and endurance in this budget process is reflected in their valuable contributions included in the California Community Colleges, 1999-2000 System Budget recommendations being presented to the Board of Governors.

Consultation Council's Budget Task Force

Jim Albanese, Association of Chief Business Officers
Francisco Arce, Chief Instructional Officer
Sergio Carrillo, Student Senate Representative
Gary Cook, Chancellor's Office
Michael Gregoryk, Association of Chief Business Officers
Guy Lease, Chief Executive Officers
Patrick Lenz, Chancellor's Office
Diane Michael, Chief Instructional Officers
Allen Renville, Chief Student Services Officers
Bill Scroggins, Academic Senate
Leslie Smith, Faculty Association of California Community Colleges
Janet Thomas, Chancellor's Office
Tom Tyner, California Federation of Teachers
David Viar, Community College League of California
Fusako Yokotobi, Chief Human Resources Officers

ATTACHMENT III

CALIFORNIA COMMUNITY COLLEGES, 1999-2000 BUDGET

Non-Proposition 98 Funds

Student Senate*	\$184,000
Energy Savings Projects**	10,000,000

Ongoing Local Assistance

Growth (4%)	\$141,879,537
COLA (3%)	106,310,342
Equalization	9,192,798
Partnership for Excellence	100,000,000
Instructional Equipment	16,000,000
Scheduled Maintenance	21,000,000
Full-Time Faculty 75/25 Obligation	40,000,000
District Participation/Consultation	565,464
Faculty and Staff Development	15,000,000
Academic Senate	45,200
Disabled Students	10,143,000
Matriculation, Credit	12,000,000
Matriculation, Non-Credit	16,000,000
Economic Development	9,835,000
Enhancing Transfer Effectiveness	3,550,000
Management Information Systems	8,268,000
AB 1542 Mandates	1,000,000
Puente Program	3,366,250
MESA Program	1,470,000
TTIP	<u>21,000,000</u>
Total	\$536,625,591

One-Time Local Assistance

Architectural Barrier Removal	\$20,000,000
Hazardous Substance Removal	15,000,000
Innovative Projects	<u>15,000,000</u>
Total One-Time Requests	\$50,000,000

* Funded from the State General Fund

** Funded from the Petroleum Violation Escrow Account

ATTACHMENT IV
CALIFORNIA COMMUNITY COLLEGES
1999/2000 LOCAL ASSISTANCE BCPs AND BASELINE BUDGETS

TITLE	99/00 BCPs	98/99 BASELINE	PROPOSED 99/00 BASE
ONGOING PROPOSALS			
Student Senate (General Fund Non Prop 98)*	184,000		184,000
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TOTAL ONGOING (Gen. Fund Non-Prop 98)	184,000		184,000
Apportionment:	257,382,677	3,443,678,046	3,701,060,723
Growth 4% 141,879,537			
COLA 3% 106,310,342			
Equalization 9,192,798			
Partnership for Excellence	100,000,000	100,000,000	200,000,000
Instructional Equip./Library Materials & Tech	16,000,000	44,000,000	60,000,000
Scheduled Maintenance & Special Repairs	21,000,000	39,000,000	60,000,000
Full-Time Faculty 75/25 Obligation	40,000,000		40,000,000
District Participation/Consultation	565,464	-	565,464
Faculty & Staff Development	15,000,000	5,233,000	20,233,000
Academic Senate	45,200	452,000	497,200
Disabled Students	10,143,000	52,277,000	62,420,000
Matriculation--Credit	12,000,000	53,934,000	65,934,000
Matriculation--Non-credit	16,000,000	10,000,000	26,000,000
Economic Development	9,835,000	33,072,000	42,907,000
Enhancing Transfer Effectiveness	3,550,000	1,424,000	4,974,000
Management Information Systems	8,268,000	-	8,268,000
AB 1542 Mandates**	1,000,000	-	1,000,000
Puente Program	3,366,250	944,000	4,310,250
MESA Program Expansion	1,470,000	489,000	1,959,000
Telecommunications and Technology (TTIP)	21,000,000	28,000,000	49,000,000
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TOTAL ONGOING (Gen. Fund Prop 98)	536,625,591	3,812,503,046	4,349,128,637
ONE-TIME PROPOSALS			
Architectural Barrier Removal	20,000,000	-	
Hazardous Substance	15,000,000	8,000,000	8,000,000
Innovative Projects	15,000,000	-	
Energy Savings Projects (PVEA Fund***)	10,000,000		

TOTAL ONE-TIME (Prop 98 & PVEA)	60,000,000		

*State Operations, General Fund.

**BCP is a two-year proposal for \$1.0 million each year.

***Petroleum Violation Escrow Account funding.